

The Ins and Outs Of East Germany's Leadership Void

By Craig R. Whitney
New York Times Service

BERLIN — Who is running East Germany?

The question was on everybody's lips Monday, nowhere with more anxiety than at the huddled headquarters of the Communist Party's Central Committee.

For the first time in four decades, the answer was: the government, headed by Prime Minister Hans Modrow, himself a Communist but not a member of the party leadership that was forced to resign in Moscow for a Warsaw Pact summit meeting, along with Egon Krenz, who served as Communist Party leader from Oct. 18 until Sunday and is still chief of state.

Inside party headquarters in Berlin on Monday, there was an atmosphere of chaos and urgency. Uwe Stelbrink was finding his way around his new office on the first floor. He opened the closet door to hang up a visitor's coat —oops, not the right one. Inside was a bookshelf with the collected works of Erich Honecker, the veteran East German leader who resigned Oct. 18 and was unceremoniously expelled from the party on Sunday.

What is your phone number, the visitor asked. Mr. Stelbrink had to go look. And your title? He looked down, shyly. "Well," he said, "I've become the head of the information and consultation center here, it seems."

And who has taken Mr. Krenz's place? In a sense, no one has. From now on, it seems unlikely that anyone who becomes party leader will automatically become the most powerful figure in the land.

For the moment, the party is being run by a 25-member working group that is preparing reports, a program and a new constitution for a party congress that will meet Dec. 15-17 and elect a new leadership.

What will be called — a Central Committee, a Politburo — is open, Mr. Stelbrink said. "I think the consensus at the ground level is that the congress will want to elect the party chairman or general secretary or whatever they will call

him directly, by all the delegates, instead of indirectly through the Central Committee as before."

Mr. Stelbrink does not know how long he will hold his job or what he will do after Dec. 17. The fact is, nobody here does. Secretaries are flustered, the receptionists

Marchers in Leipzig demand German reunification and end to the Communist Party. Page 9.

at the front door do not know what to tell you, and the telephone operator who answers the Central Committee number — 2020 — says she does not have the faintest idea how to reach the spokesman for the working committee, which is in effect now the Central Committee.

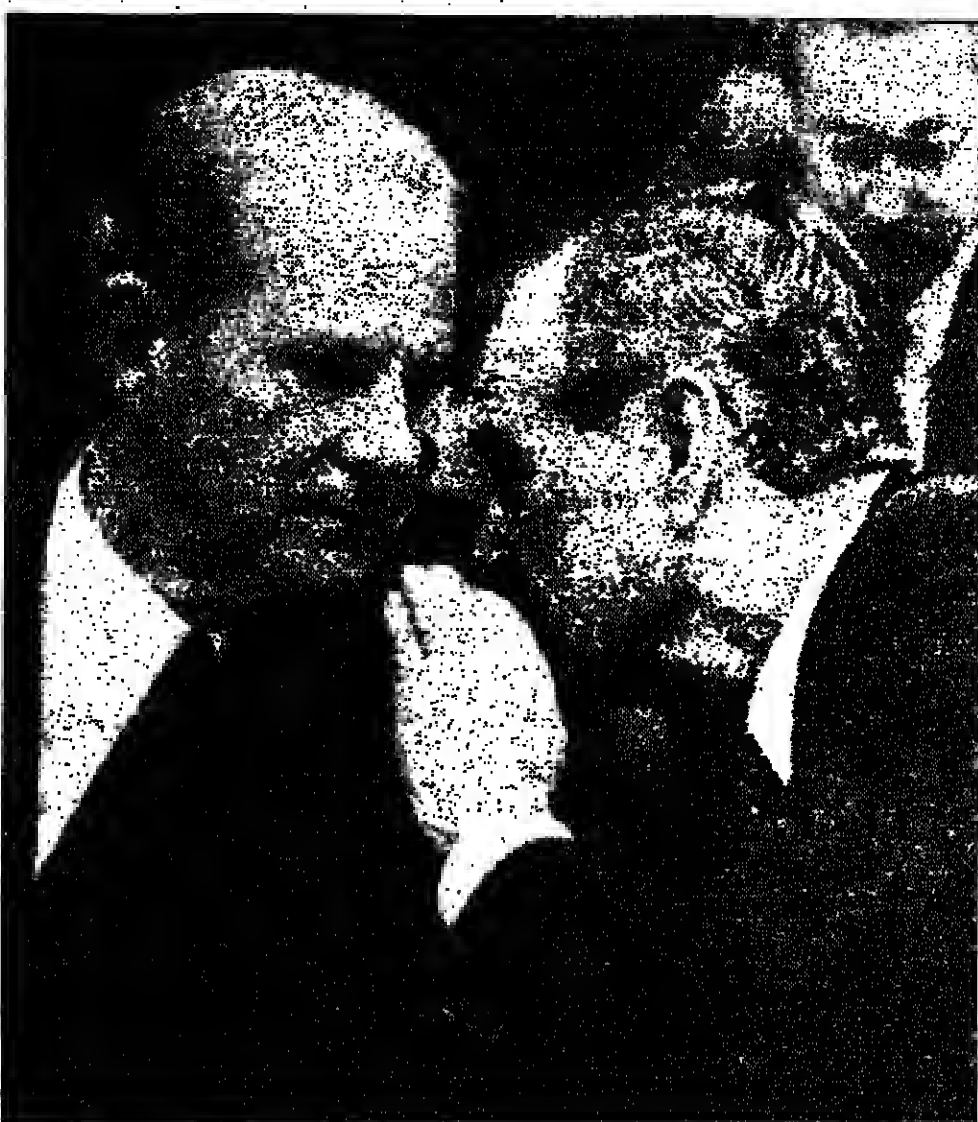
The working group met Monday down the hall from Mr. Stelbrink to decide how to get from here to Dec. 15. Its main characteristic, as one of its members, the well-known lawyer Gregor Gysi, said Sunday, is that none of its members belonged to the previous leadership, now revealed to have had its hand in the public till all these years.

The head of the committee is Herbert Kroger, the 60-year-old chief of the party district organization in Erfurt. He earned his spurs by being fired as director of the state-run Herbert Wonne factory there in the mid-1980s, having tangled with Ginter Mittag, Mr. Honecker's economic czar.

The factory manufactures complex machines that can deform and press metal. Now Mr. Mittag is in jail, like Mr. Kroger's predecessor as district party chief in Erfurt, Gerhard Müller, under investigation for deforming the state-run economy for their own personal benefit, and mismanaging it.

Other members of the working group include Wolfgang Berghofer, the mayor of Dresden, and Markus Wolf, the former head of East Germany's very successful and efficient foreign espionage service. Many of the members are district

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President Bush, right, huddling with Mr. Baker on Monday before the NATO talks in Brussels.

Bush, at NATO, Urges Rapid Troop-Cut Pact

By David Hoffman
and Ann Devroy
Washington Post Service

BRUSSELS — President George Bush, summoning the Western allies to join in a "new Atlanticism" at a time of rapid change in Europe, urged Monday a "rush to throw off defense burdens" and called for a renewed drive to complete negotiations on reducing conventional forces in Europe.

In a report to leaders of the North Atlantic Treaty Organization after his weekend meeting with President Mikhail S. Gorbachev of the Soviet Union, Mr. Bush said that the alliance must "seize this urgent opportunity" for a conventional forces pact, now being negotiated in Vienna.

"If we in this alliance are not equal to the changes that are going on in Europe around us," he said, "the process could be overrun by events. That could be dangerous and we must avoid it."

Although the U.S. defense secretary, Dick Cheney, has publicly discussed the possibility of defense spending cuts as a result of a reduced Soviet military threat, Mr.

Bush said: "I think it is premature to speak, as some are at home, about a 'peace dividend.' Take a lot of money out of defense and put it into other worthy causes."

Mr. Bush said he had an "open mind" about the possibility of negotiating even lower levels of conventional forces in Europe, as Mr. Gorbachev suggested at the Malta

Bush has made an important shift on arms control. Page 7.

summit talks, but he stressed that the current round of negotiations, known as the Conventional Forces in Europe talks, must be completed first. In Malta, Mr. Bush and Mr. Gorbachev said that they would like to complete a treaty before the end of next year.

The president, speaking to reporters, said he would like to achieve this negotiation "in the bank first, get it locked up, get those troops out."

Mr. Bush appeared confident after a day of talks with allied leaders that was dominated by the upheav-

al in East Germany and the possibility of its reunification with West Germany.

Asked whether he agreed with his ambassador to West Germany, Vernon A. Walters, who said that reunification was inevitable and likely within five years, Mr. Bush replied that he preferred to not set deadlines. He then read a portion of his statement to the allied leaders, in which he called for a series of principles to guide reunification, including that it "should occur in the context of Germany's continued commitment to NATO and an increasingly integrated European Community."

The Soviets have emphasized their desire to keep the two Germanys separate, at least for now.

Although Mr. Bush had promised Mr. Gorbachev the West would not attempt to exploit the collapse of hard-line Communist regimes in Eastern Europe — he said he would not "dance on the Berlin Wall" — the State Department announced Monday that Secretary of State James A. Baker 3d

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German Unity Shadows Talks

By Joseph Fitchett
International Herald Tribune

BRUSSELS — West European unease on German reunification caused some dismay Monday at the meeting of NATO leaders called to define a joint Western response to changes in Eastern Europe, alliance officials said.

While President George Bush sought to oust the North Atlantic Treaty Organization closer to a response on the two Germanys, European allies, including Britain, France and Italy, insisted on delaying policy decisions on the issue.

"Talking concretely about it," one British official said of reunification, "helps bring it closer to the realm of the doable."

Other Europeans expressed fear that a reunited Germany could tighten its grip on Europe at a time

when the United States was considering a smaller presence there.

But Mr. Bush said that the United States intended to maintain a significant military role in NATO as long as the allies desired it.

It was typical of the talks Monday that the German issue, though not on the agenda, erupted while summit leaders were discussing the future of NATO and the Warsaw Pact. "The German issue was the real subject behind every discussion," a U.S. official said.

One participant said that the European allies, in counseling caution in dealing with the changes in the East, were often voicing concerns about a changed relationship between the Germanys.

The terms of any German reunification are critically important to Western efforts to shape the mili-

tary future of NATO and the political destiny of Europe.

West European leaders, while privately acknowledging this, shrink from fueling debate about a reunited, fully sovereign Germany.

"We can at least wait to see if East Germany has free elections," said a European foreign minister.

So Mr. Bush, in laying out a more specific version of U.S. conditions for reunification, was the only summit participant to offer details on handling the German issue.

One Bonn official said that other Europeans were "haunted" by Chancellor Helmut Kohl's embrace of a possible reunification.

Prime Minister Giulio Andreotti of Italy, urging a careful approach, quoted the Soviet leader, Mikhail

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The U.S. and Europe: From Bush's Remarks in Brussels

"I pledged today the United States will maintain significant military forces in Europe as long as our allies desire our presence as part of a common defense effort."

"The U.S. will remain a European power."

"Things have moved dramatically. But if I signal to you there's no Cold War, then you'll say, 'So what are you doing with troops in Europe?'"

"I think it is premature to speak, as some are at home, about a peace dividend."

Czech Activists Harden Stand

By John Tagliabue
New York Times Service

PRAGUE — As hundreds of thousands of protesters poured into St. Wenceslas Square on Monday, Czechoslovakia's two-week-old opposition movement, which until Monday lacked even a formal headquarters, met representatives of the Communist authorities on Monday to discuss the formation of a new cabinet.

It later took its boldest step yet toward evolving into a full-fledged political organization, announcing

that it would endorse candidates when Czechoslovakia holds its first free elections since the postwar Communist takeover.

About 200,000 people in St. Wenceslas Square shouted their support for the opposition's rejection of a Communist-dominated government formed Sunday and its readiness to stage a general strike next Monday.

Spokesmen for Civic Forum said late Monday that the worker strike committees, formed to prepare for a general strike last week, would transform themselves into the nucleus of trade unions independent of Communist organizations.

But the most startling statement was the announcement about political endorsements.

The forum said that together with a similar organization in the Slovak portion of the nation, it would "enter into elections with a common list of candidates."

The statement, which was read to the hundreds of thousands of demonstrators, said that, after the vote, independent political parties could then spin off from Civic Forum, and the organization would serve as a "guarantee of the whole

process of development toward a democratic state."

Civic Forum, which was founded Nov. 19 by dissidents, actors, students and others, has called for fully free elections before July 1990.

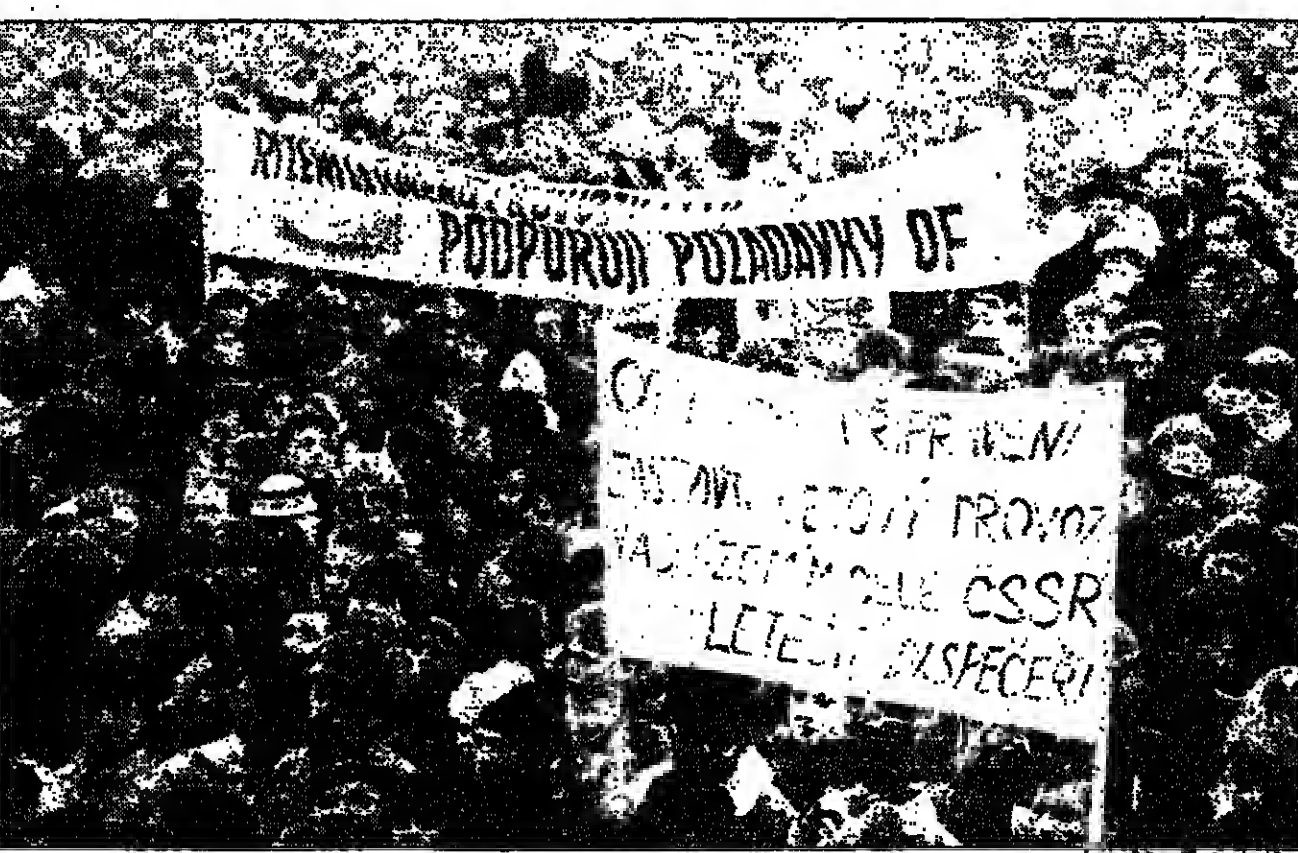
Six Forum representatives, including the prominent playwright, Vaclav Havel, and the dissident writer, Sasha Vondra, met with Deputy Prime Minister Bohumil Urban to discuss the formation of a new governmental cabinet. A cabinet proposed Sunday by the Communists, though containing the first non-Communists in 21 years, was rejected by Civic Forum as not reflecting the distribution of political forces in the country.

New Cabinet Protested

In both Prague and Bratislava, the nation's two largest cities, hundreds of thousands of demonstrators chanting "Resign! Resign!" rallied to protest a newly appointed Communist-dominated government and demand that a new one be named by the weekend. The Associated Press reported.

The crowd in St. Wenceslas

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Demonstrators, protesting the new national government and warning of strikes, crammed St. Wenceslas Square in Prague on Monday.

Masochism in Moscow? Crowds Flock to Exhibit of Faulty Soviet Goods

By David Remnick
Washington Post Service

MOSCOW — Here in the Soviet capital the summit talks in Malta took a back seat during the weekend to one of the more extraordinary museum shows in the history of Soviet power: "The Exhibit of Poor Quality Goods."

As television focused for hours on the events in the Mediterranean, thousands of Soviet citizens, more inclined toward the gritty-gritty of everyday life, caught the metro out to northern Moscow's Exhibition of Economic Achievements and looked at a collection of economic underachievements: split

seams, rotten food and other horrific regularities of the economy.

Sponsored by the new U.S.S.R. Consumer Society and the weekly tabloid Nedelnya, the exhibit features oblong volleyballs, cross-eyed teddy bears, rusted samovars, chipped stew pots, putrid lettuce, unrusted shanklecks, crushed cans of fish and, perhaps the show-stopper, a bottle of mineral water with a tiny dead mouse floating inside.

"We're all glad about foreign affairs, but what you see is real life," said Marina Nishkina, a government bureaucrat who specializes in quality control. In order to assemble the exhibit, she said, "We didn't have to go to much effort. We just went into a few stores picked at random and that was that."

The sprawling Exhibition of Economic Achievements is a kind of Socialist Realist nightmare, featuring neo-Gothic and neo-Hellenic temples dedicated to the greater glories of Soviet communism, biology, light industry and many other fields. Towering in the entrance is Vera Mukhina's Stalin-era monstrosity, a sculpture titled "Worker and Collective Farm Girl."

Visitors, including Westerners dragged along on organized tours, usually gravitate to the aerospace hall, where the relics, achievements and dreams of the Soviet space program are on display. But for the most part, the park is a kind of World's Fair from Hell, and visitors tend to spend most of their time

strolling in the park, eating ice cream and getting sore feet.

The exhibit of shoddiness, however, is packing in crowds, especially after the popular television program "Vzglyad" did an ironic segment the other night.

"It was time to inject a little reality into the scene here," said one of the park's guides, Sveta Radchova. "After all, we can no longer afford to believe we live in fantasyland or that our lives are terrific when every day we see in front of our faces the kind of things all of us have to put up with."

The sheer crumminess of nearly every product

Warsaw Pact Denounces '68 Invasion

By Bill Keller
New York Times Service

MOSCOW — The leaders of the Warsaw Pact made a break with the past Monday by jointly condemning the Soviet-led 1968 military suppression of the Czechoslovak experiment called "Prague Spring."

The Kremlin also agreed to open discussions with Czechoslovakia on the withdrawal of Soviet troops from that country, linked to broader East-West disarmament negotiations.

Meeting at several of their governments were still reeling from democratic upheavals, the leaders of Eastern Europe called the invasion "illegal" and pledged a strict policy of noninterference in another's internal affairs, the official news agency Tass reported Monday night.

The statement was signed by the five countries that took part in the 1968 invasion — the Soviet Union, East Germany, Poland, Hungary and Bulgaria. The Soviet Union also issued its own, separate declaration of repentance for contriving to stifle change in Czechoslovakia, its first official admission that the invasion was wrong.

The crushing of Prague Spring already had been condemned by the two alliance members that did not participate, Romania, which refused to join the invading force, and Czechoslovakia. They reportedly endorsed Monday's statement by the invaders.

Rezo Nyers, chairman of Hungary's Socialist Party, told Hungarian journalists Monday night that the declaration marked a formal repudiation of the Brezhnev doctrine — the Kremlin principle of

See PACT, Page 2

Economically and Politically, Mutineers Have Already Damaged Aquino

By Michael Richardson
International Herald Tribune

SINGAPORE — Hit by a bloody military coup that has exposed deep divisions in the Philippine armed forces, the government of President Corason C. Aquino has been seriously destabilized.

To recover from the rebellion and ensure that it does not recur, the government must reunify the armed forces, revive investor confidence and prevent an economic decline that would fuel intensified political opposition.

But as troops loyal to President

Aquino tried unsuccessfully on Monday to end rebel resistance in the heart of Manila, Manila's financial district, diplomats and analysts warned that continued violence and disunity would derail

NEWS ANALYSIS

economic recovery and undermine democracy.

Although there have been five other attempts to overthrow the Aquino government since 1986, "this is the first time opposing sides in the armed forces have inflicted such heavy casualties on each other," said Francisco S. Tatad, editor of Newday, a Manila daily.

Widespread sympathy in the

armed forces for the rebels and the inability of government soldiers to suppress the insurrection quickly are likely to intensify factional conflicts, they said.

Economists and businessmen said that a slowdown in investment would increase the high rate of unemployment and underemployment. The nation needs to create about a million new jobs a year just to absorb people entering the labor force.

Rising economic hardship, they added, would fan social discontent that military and political opponents of the government would exploit.

Philippine officials and foreign

diplomats in Manila have revised upward their estimates of the number of troops involved in the mutiny that began late Thursday. As its scale becomes more obvious, the tasks of restoring law and order and renewing confidence become more difficult.

Some analysts said that another coup attempt is likely and might succeed as ambitious and wealthy politicians who either have links to the military or have private armies try to supplant Mrs. Aquino.

The government's response to the coup attempt, including Mrs. Aquino's request for military assistance from the United States, has "gravely weakened" its authority, Mr. Tatad said.

"The anti-American movement

has gained tremendously," he said, "with many of its new adherents coming not from the left but from moderate and pro-Aquino elements who do not approve of what she did."

There is now "a combination of serious economic, political and military problems working against Mrs. Aquino," he added.

The remaining two years before presidential elections in 1992 will be "political hell" for the government, said Tony Gaudin, a Manila newspaper columnist.

Even if Mrs. Aquino can keep the military at bay, she must cope with inflation, corruption and other problems that are eroding her public support, he added.

In a statement published in the Manila Times on Monday, Gregorio Honasan, a cashed-out colonel who is one of the organizers of the coup, said the leadership of the armed forces that supported Mrs. Aquino was "ambitious and inept."

Mr. Honasan also asserted that the rebels wanted to rescue the country from a government that was corrupt, incompetent and had failed to counter Communist insurgency with enough vigor.

Carolina G. Hernandez, a professor of political science at the University of the Philippines, said the military rebels "are really interested in grabbing power."

The armed forces, she said, were brought into politics when the for-

mer president, the late Ferdinand E. Marcos, declared martial law in 1972.

Even after Mr. Marcos was overthrown in 1986 by a military revolt and popular uprising that swept Mrs. Aquino to power, some sections of the military refused to accept the supremacy of civilian authority, the new democratic constitution, or Mrs. Aquino. As president, she is also commander in chief of the armed forces.

While the rebels "talk of putting an end to corruption and weakness in government," Ms. Hernandez said, "their action is negating any hope the Philippines might have of economic recovery and political progress in the short term."

Kiosk

Latin Leaders

Schedule Talks

GUATEMALA CITY (Reuters) — Central American presidents will meet Dec. 10-12 in Costa Rica to discuss the escalation of regional conflicts, a spokesman for President Mario Vignicio Cerezo Arvelo said Monday.

The meeting takes the place of a December summit session that had been scheduled for Managua but was canceled after El Salvador broke relations with Nicaragua last month, charging the Sandinista government with supplying weapons to Salvadoran rebels.

General News

Two Paris restaurants hope to create world's finest French restaurant in Tokyo. Page 2.

Poor U.S. blacks are leaving depressed inner cities for promising small towns. Page 3.

Belgium's Communist leader said the party would not renounce its leading role. Page 7.

Arts/Lesure

Place Vendôme, France's jewelry center, dresses up. Sunny Menkes reports. Page 16.

Business/Finance

A U.S. investment group has increased its stake in United Airlines' parent. Page 11.

M. Danny Wall, the U.S. thrift regulator, resigned. Page 11.

Crossword

Page 16.

Weather

Page 2.

The Dollar

In New York

DM 1.7837

Pound 1.593

Up 5.98

2,753.53

Yen 143.65

FF 6.091

Poor U.S. Blacks Shun No-Chance Inner Cities for Small-Town Peace and Promise

By Dirk Johnson

CHICAGO — Life in the inner city has become so bleak that a growing number of poor blacks are leaving for smaller cities, towns and suburbs in search of opportunity, or at least safety.

Althea Harris, a young mother on welfare, left the South Side of Chicago for Kenosha, Wisconsin, where she and her five children lived for months without furniture, wrapped in blankets, they slept on the floor.

But even at its worst, she said, life in Kenosha has been better than in Chicago, where a man had offered her 5-year-old son \$5 to deliver "a little package of something."

Delores Long's grandchildren

cried in fear about the rats that had chewed through the back of the couch in their Chicago apartment. But they stayed until a gang of young toughs knocked Mrs. Long aside one day last winter and stole her Social Security money. Mrs. Long, her daughter and six grandchildren moved to Three Rivers, in western Michigan.

As for Orbia Williams, whose family lived in a housing project on the city's West Side, the continual gunfire and the fear that the shots might come closer one day persuaded him to move to suburban Schiller Park.

The exodus illustrates the further collapse of poor neighborhoods in cities like Chicago, Detroit and New York. These neighborhoods, which black professional and middle-class people began leaving

about 20 years ago, have become virtual prisons of poverty, ruled by gangs and hidden with drugs.

The poor people who are leaving see moving more as an escape than a migration. "We came to Chicago because it was the place where

James P. Shenton, a professor of history at Columbia University, said: "As conditions in the inner city worsen, the very people who could make a difference are leaving. They are abandoning any notion that they can make a differ-

the depressed inner-city areas for a smaller city or town with an established black community, often taking shelter, at least initially, with friends or relatives.

While one of the first steps for the newcomers is often the local welfare office, many find greater opportunities for employment.

Mrs. Long's daughter, Anita, a 23-year-old mother of two who had never held a full-time job, is an aide at a nursing home in Three Rivers.

Mr. Williams has found enough carpentry odd jobs in Schiller Park to pay the bills.

And Ms. Harris, a high school dropout who had existed on welfare for years, works at a Kenosha clothing store — and was recently promoted. "I'm now the second assistant manager," she says proudly.

The influx of poor people into these communities is often greeted with a measure of apprehension.

Governor Tommy G. Thompson, concerned that Wisconsin is becoming "a welfare magnet," has urged the state legislature to consider reducing benefits for newcomers.

The Wisconsin Policy Institute, a conservative research organization, has estimated that the migration of Chicago's poor is costing Wisconsin about \$129 million a year in benefits and services, but liberal critics say that estimate is high.

In the last three years, more than 21,000 families who came from other states were added to Wisconsin's welfare rolls, nearly 30 percent of all new welfare cases in the state, according to the institute.

But Paul Voss, a demographer at the University of Wisconsin at Madison who has studied the influx of poor Chicanos, said welfare ranks low among the reasons that motivated them to move.

"Over and over again, we heard from these people about the desire to get away from the harsh environment of the inner city," he said. "They wanted to find a better school, a setting where there were fewer drugs and fewer chances to get entangled with the gangs."

In some ways, smaller communities are better equipped to deal with the poor, since the ratio of impoverished people to the more affluent is so much smaller.

In Kenosha, about 35 miles (55 kilometers) south of Milwaukee, many poor families are adopted at Christmas by a prosperous family that brings gifts.

"When the scale is small, people feel like they can have a direct impact," said Rick Rhey, who runs a community center for the poor in Kenosha.

"In big cities, people might not do as much for them because it's just a drop in the bucket."

Demographers say it is unclear whether the migration of blacks from major cities will continue to grow; much depends on the success of those who are making the move.

"As long as word gets back to a neighborhood that there's a place out there that offers a better opportunity," Mr. Wilson said, "the poor will be willing to give it a try."

After two years in Wisconsin, Ms. Harris said her children do not

like returning to visit their old neighborhood in Chicago, where the sight of gangs and the sound of sirens frighten them.

"Our relatives in Chicago tease

my kids because they say they talk like white people," Ms. Harris said. "But you know what? They see how we're doing. And now they're thinking about moving up here."

Blue chip.



BOMBAY SAPPHIRE. FOUR SOMETHING PRICELESS

Dinkins Under Inquiry In Stock Deal With Son

By Michel Marriotti

NEW YORK — Mayor-elect David N. Dinkins has confirmed that U.S. authorities are investigating a stock transaction that became a troublesome issue in the last weeks of his campaign, but said he was not worried about the inquiry.

Mr. Dinkins, appearing calm but stern as he faced questions about published reports that the U.S. attorney for the Eastern District of New York was investigating him, said he has instructed his lawyer, Charles Sillman, to give "complete cooperation" to investigators.

"Those of us in public life are subject to criticism and scrutiny of all sorts over time," he said in a brief exchange with reporters Sunday. "I'm confident this inquiry will reveal that there's nothing with which I need to be concerned."

He said the investigation was a "quick response" to a suggestion during the heated campaign by his opponent, Rudolph W. Giuliani, that the stock deal be looked into.

Asked if the inquiry would discourage people from joining his administration, he responded, "Not one whit."

An article in Sunday's Daily News quoted "well-placed law-enforcement sources" as saying that Andrew J. Maloney, the U.S. attorney in Brooklyn, was investigating Mr. Dinkins's 1985 transfer of his

588 shares of stock in the Inner City Broadcasting Corp. to his son, David Jr.

During the campaign, Mr. Dinkins said he had transferred the stock to his son in 1985 because he had just been elected Manhattan borough president and wanted to avoid any possible conflicts of interest when votes about Inner City's franchise to wire parts of Queens for cable television came before the Board of Estimate, on which the borough president serves.

Mr. Dinkins had listed the stock's value at \$1 million on confidential financial disclosure forms in 1983.

Mr. Giuliani asked whether Mr. Dinkins should have paid gift taxes when he gave his son such a valuable asset.

The mayor-elect said he had actually sold the stock to his son for \$58,000. He produced a handwritten promissory note dated Oct. 30, 1985 in which his son agreed to pay him that amount, with 8 percent annual interest, in 1991.

The law-enforcement sources quoted by the News said investigators will test the paper and ink to try and tell whether it was written in 1985 or during the campaign.

A spokeswoman for the U.S. attorney characterized the investigation Sunday as a "preliminary inquiry into some financial transactions."

Women Say Law Firms Bar Their Rise to Top

By Tamar Lewin

NEW YORK — Women at the largest law firms in the United States say that although they believe their pay equals that of their male counterparts, they lack the same chances for top job assignments, litigation experience and promotions.

The results of a new survey of 918 female lawyers, a third of whom earned more than \$100,000 a year, also showed that 60 percent said they had experienced unwanted sexual attention on the job.

Many of the women responding to the survey, conducted by the National Law Journal and West Publishing Co., wrote long, unsigned comments expressing both frustration and resentment about their status.

"Most women in my firm could give you specific, current examples of sexual discrimination that would curl your hair," a Midwestern lawyer wrote. "I wish I could warn other women law students about picking my firm, but of course, I cannot."

U.S. High Court To Hear Case on Overseas Banks

The Associated Press

WASHINGTON — The U.S. Supreme Court agreed Monday to decide whether U.S. banks with branch offices overseas must pay depositors after foreign governments seize or freeze those accounts.

The court said it would review rulings that required Citibank to pay depositors.

In the appeal acted on Monday, Robert H. Bork, who is representing Citibank, said billions of dollars were at stake. There are more than 900 branches of U.S. banks operating in 73 countries, with some \$225 billion in deposits.

The case stems from economic troubles in the Philippines in 1983. Wells Fargo Asia Ltd. in Singapore deposited \$2 million with the Citibank branch in Manila in June 1983. The money was to be repaid with interest in six months.

But on Oct. 15, 1983, the Philippine government of Ferdinand E. Marcos, who was deposed and fled to Hawaii in 1986, froze the accounts of foreign banks. The move prevented Citibank from repaying the Manila deposits to Wells Fargo.

Waldheim Arrives in Tunis

Reuters

TUNIS — President Kurt Waldheim of Austria arrived here Monday for a three-day visit, during which he will meet with President Zine Abidine Ben Ali and the Arab League secretary-general, Cheddi Khari.

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OPINION

Summit: A Flop for Bush, A Windfall for Gorbachev

By William Safire

WASHINGTON — George Bush's purposes in proposing an early summit were (1) to shift the disarmament focus from strategic missiles to conventional forces, thereby placing top priority on an end to the Soviet occupation of Eastern Europe, and (2) to link the end of Soviet support of Central American dictatorships to trade concessions that Moscow desperately seeks.

Mikhail Gorbachev's purposes in this meeting were the contrary: (1) to press for a quick START treaty before agreeing to reduce the Red Army's huge advantage in tanks and troops in Europe, and (2) to de-link the Soviet Union's support of regional aggression from its solicitation of Western sources of money and technology.

Using those realistic criteria, the result of the Malta summit becomes clear: Mr. Bush failed miserably and Mr. Gorbachev succeeded brilliantly.

Approaching his summit debut, the new American president was afflicted by almost childlike desire to surprise the Great Surpriser. Consequently, he embarked on a two-month propaganda campaign to mislead the world: No formal agenda, he insisted; no real negotiations; just a feet-up get-acquainted session.

Once aboard the Maxim Gorky, however, he whirled about and presented the Soviet leader with the detailed granting of Moscow's economic wish list.

Among these pre-emptive concessions were: observer status at the free world's top economic body before any reform of Soviet currency; a most-favored-nation deal to be signed next June (probably to hometown cheers in Houston); loans backed by American taxpayers through the U.S. Export-Import bank, which would have the effect of taking off the economic pressure for systemic change.

The Bush strategy was to win world approbation by giving Mr. Gorbachev everything before he had to ask. The delighted Soviet leader thanked Mr. Bush for his support of perestroika, and his press spokesman declared that "the Cold

War is over." That was certainly new thinking in the negotiation business.

When Mr. Gorbachev was then asked about the flow of Soviet arms through Cuba and Nicaragua to overthrow El Salvador, he reacted with the blandness of the late Andrei Gromyko on the subject of missiles in Cuba: Not us.

He could not imagine where the Communist insurgents got the AK-47 ammo or the Soviet surface-to-air missiles. Although he could turn off the violence in the Western Hemisphere with a phone call, the Soviet leader reportedly spoke instead of Cuban "self-determination."

Despite this quid-pro-quo, Secretary of State James Baker gushed at the "potential for real chemistry between these two leaders" brought about by American concessionary and Soviet stonewalling.

When Leslie Stahl of CBS News — about the only interviewer in Malta to resist the spin-control pressure — dared to ask what America got in return, Mr. Baker expostulated a mouthful of mush. What about a withdrawal of the half million Soviet troops occupying Eastern Europe? "We didn't get into discussions about lower troop levels," he replied.

If Mr. Bush did not press the Soviet leader to end the occupation, and if the United States did not link its generous offer of economic goodies to military restraint in the Soviet empire, then what was this particular summit for?

In succumbing to a misperceived need to seize the moment, Mr. Bush let the moment seize him. As duly reported here last week, a Gorbachev diplomatic initiative to be announced during his papal meeting was expected. When the Soviet leader issued his call for a Helsinki II confabulation next year, the Bush desire to grab the next headline overcame his negotiating skill, and he threw caution to the Maltese winds.

The pullback and destruction of tanks and guns labeled "CFE" (for Conventional Forces Europe), which the United States wants, is now placed squarely behind, instead of in front of, the START treaty, which the Soviets want. This is a windfall for Soviet negotiators.

We do not know what else was conceded or privately understood at Malta. Mr. Bush's credibility was not helped by his pre-summit attempt to mislead his countrymen before his doorman diplomacy aboard the Gorky; trust is further eroded by the phony line that German reunification was not discussed.

Yes, he should "seize the moment" — by engaging in a serious, complex negotiation to extend the reach of freedom while reducing the threat of war, and not by being panicked into a world popularity contest with Mr. Populace.

The Cold War will end not by declaration at summit. It will end only when the Soviet Union demonstrates its willingness to end the practice of imperialism.

The New York Times



Drawing by DANZIGER, The Chicago Tribune. Los Angeles Times Syndicate.

When History Hurts the Ratings

By Richard Reeves

WASHINGTON — Like many American parents, I'm sure, I called my children together when television began showing the crumbling of the Berlin Wall and urged them to pay attention to what was going on around them right now. "This is history," I said earnestly. "This could be the most important thing that happens in your lifetimes."

They were polite enough not to look at me as if I were crazy — not crazy, just old. "Around them" right now sometimes is a circle with a diameter of about 10 feet. A self-centered intensity of personal experience is part of being young, especially of being young and American.

It is not that we Americans are a people without history. Rather, I think, we are a people with many histories. American history is generational, and each of us can be very, very vague about anything that happened before we were paying even glancing attention.

So I was disappointed but not at all surprised to see that television news ratings have actually gone down in America during these weeks of dramatic and historic pictures from the Wall and Warsaw and Prague and Kiev. The scenes are only dramatic if you know the history, the fearful and dreary repression that preceded this orgasm of freedom.

The contrast between my generation — particularly those of us with the personal

experience of being called into the army because of war threats over Berlin — and the generation of my children was taught perfectly last weekend in a survey of American high schools under the headline: "Teenagers Find East European Events Confusing — or Irrelevant."

The article was about teachers of history and social studies in Missouri and Texas videotaping demonstrations and

MEANWHILE

other events from Eastern Europe for their classes. The teachers were so moved (as I am) by what they saw that tears came to their eyes each time they showed the tapes. "Students," wrote reporters David Maraniss and Bill Peterson, "were utterly unmoved."

"The teenagers had trouble with context," the story went on. "They could not relate what was happening to their own lives; they could not understand why people would ever allow themselves to live under fear and domination. What's the big deal?"

You do have to know the context. Forty-five years ago, these people or their parents and grandparents were

crushed in body or spirit or soul in World War II. Our children, who do not even remember Vietnam, have no sense of that. Thank God. But those Europeans, many of them homeless, starving and cold, had no chance to assert themselves against occupying troops from the Soviet Union. With all the soaring political and economic rhetoric from Moscow and Malta these heady days, the most important words of Mikhail Gorbachev were his signals to the Red Army that it was no longer under orders to kill people protesting against the fearful domination of totalitarian communism.

"I don't want to sound like a Sunday School teacher," said Scott Johnson, a history teacher in Kirkwood, Missouri, "but I get this desire to stand up on my desk and shout... 'Listen kids, wake up! You guys are missing something.'"

He was answered, more or less, by Christina Kolich, a high school senior a thousand miles away in Austin. "I'm sorry," she said in class, "but what is all this talk about satellites?" She thought her teachers were talking about satellite dishes. It seems that with all our adult obsessions with communism and captive nations and all that, we forgot to tell our kids what we were talking about.

Maybe they're better off in a way. A lot of what we were told and thought about Soviet "satellites" was nonsense.

Were we any better than our kids? I'm not so sure. The television entertainment of my generation, probably the most important medium in the United States, was as mindless as theirs, although because it was dominated by Western shoot-'em-ups we had some sense that there actually were people who lived in the country before us.

But I do not remember the Great Depression, the touchstone of my father's life, ever being mentioned during my nine years in the public schools of Jersey City. The only "current event" I remember was being marched into the auditorium of Lincoln High School when I was a freshman to listen to the radio broadcast of General Douglas MacArthur speaking to Congress after he was fired by Harry Truman during the Korean War. It meant nothing to me then.

We are told that those who do not understand history are condemned to repeat it. That is little more than a half-truth, I believe, and such thinking might have prevented such worthy endeavors as the American Revolution. There is a certain strength, too, in optimistic ignorance. Americans of all generations accomplish a great deal trying things that have failed in the past — and making them work this time around.

But not understanding history and not seeing it right in front of you is boring and frustrating and worse. My greatest regret is that as a young and ambitious husband and father just out of college I was too busy to pay much attention to the most important and exciting event of that time, the civil rights revolution of the early 1960s. That is why we are all here: to be part of history and, if we are lucky, to make some of it, too.

Universal Press Syndicate.

LETTERS TO THE EDITOR

Fear in Eastern Corridors

The crowds marching through East German and Czechoslovak cities calling "Punish, punish" and "Red murderers to court" stir old memories. Who can forget the pictures from Hungary during the 1956 revolt as people shot, hanged or trampled their security police torturers?

During the heady days of the 1968 "Prague Spring," Czechoslovak newspapers reported the stories of victims, like the murdered Foreign Minister Jan Masaryk. The public was demanding that justice be done to the security policemen who had committed such bloody deeds — and they knew their names.

Even those not guilty of specific abuses would sink into their infamous buildings, trying to avoid public notice.

Some, like the security chief of Prague, Josef Pospisil, committed suicide; others fled to the West or to Moscow.

Today, as non-Communists come to power, we can be sure that fear is running anew through the corridors. Several of those secret police agencies (including the Bulgarian and Soviet) have announced the disbanding of one or another of their more offensive elements, and are trying to create a new image by simple campaigns: the East Germans have downgraded their "Stasi" and changed its name. But such cosmetics cannot efface deeply held resentments.

In Poland the security police are still protected by the Communists' hold on their ministry. But will that be possible under the leaderships that are emerging

in Hungary and Czechoslovakia, and perhaps East Germany? It is one more thing to watch as these new regimes evolve.

T. H. BAGLEY.

Brussels.

Salvadorans and Others

A few months ago I traveled to El Salvador with a delegation from an American humanitarian aid organization called New El Salvador Today, and contributed as an artist to the execution of a mural in San José las Flores in Chalatenango Province.

Virtually everyone I met who is involved in nonviolent work for change in El Salvador had either been captured and tortured or was mourning murdered friends and colleagues.

The poor of El Salvador have sought to change their society, but have only been met by repression. Some have taken up armed struggle while thousands of others have organized themselves into unions and groups that work alongside the popular church for nonviolent change.

The tragedy of the conflict lies in the suffering it inflicts on the civilian population. The United States must open its eyes, stop perpetuating a bloody regime of oppression and recognize the will of the people, who cry out for freedom and justice in their own country.

LAURA GODFREY-ISAACS.

London.

One waited in vain for Pope John Paul II to speak out after the murders of six

Jesuits in El Salvador and the subsequent warning by the attorney general of that country that the Vatican must recall some of its senior clergy or they would face a similar fate. All that was forthcoming from the Vatican was a signed statement calling for peace talks between the guerrillas and the El Salvador regime.

It does not add to the pope's stature to associate himself with U.S. policy in a region where the United States has propped up dictatorships as long as they are anti-Communist. The Vatican should formulate a Latin America policy that takes into account the atrocities of the death squads in El Salvador and the bloody repression of the Chilean junta. And the pope must protect his priests from the ruthlessness of the right wing.

R. SENGERO.

Paris.

Writing of events in Eastern Europe, and particularly the opening of the Berlin Wall, Robert J. Semmelson ("Reform? No, Revolution. So Hold Tight and Watch," *Opinion*, Nov. 17) states that "as the principal defenders of freedom, Americans can feel especially proud."

From a vantage point in Latin America, with presidential elections finally to be held in Chile after 16 years of CIA-instigated repression, and Salvadorans reeling from the effects of U.S.-backed unrest in Central America, these words seem ignorant.

REBECCA GORMAN.

Santiago.

In the Government's Arms?

Michael Novak ("Abortion: Rethinking a Nation's Experiment," *Opinion*, Nov. 23) writes that "a way (perhaps many) will be found to place some restrictions on abortion." If the decision as to whether or not to bring a new life into the world is denied the woman and the government is given this responsibility of choice, then surely in cases where this is against the will of the woman or parents, the government should take responsibility for this new life it has protected once it has been born.

Will the government fund an "unwanted pregnancy leave of absence," for example? Or will those unfortunate beings created as a result of rape or incest be, upon birth, warmly welcomed into the care of the government's arms?

CAROLYN MACARTNEY.

Barcelona.

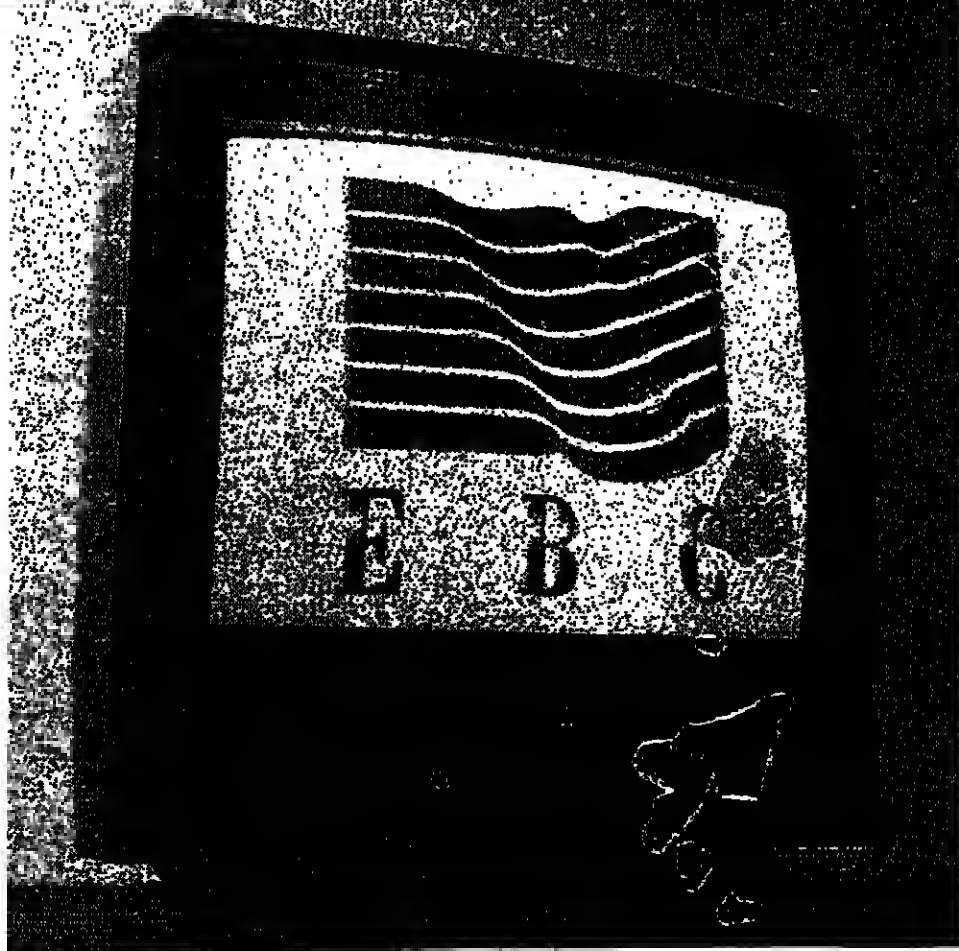
Pushing Less to the Limit

Kimiko Kusaka ("The Japanese Have Things to Teach About Quality of Life," *Opinion*, Nov. 8) says that small Japanese living quarters are easier to clean and maintain, and that no yard means no lawn to mow or leaves to rake. I suppose one could also argue that the paucity of vacation time in Japan means fewer sunburns on the beach and fewer broken legs on the ski slopes.

MARK CHAMBER.

Tokyo.

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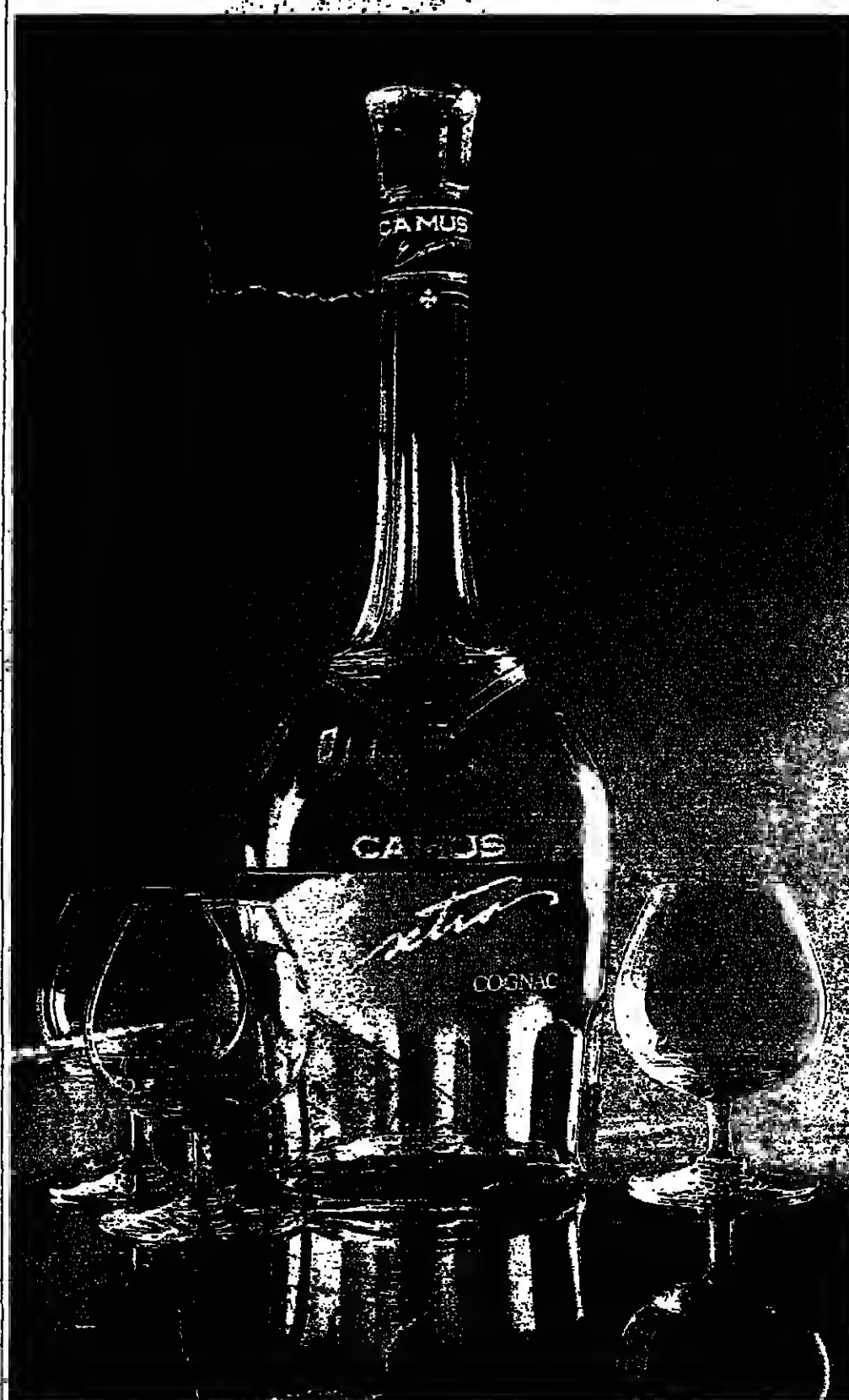


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In Speeding Up START, Bush Shows a Shift in Priorities at Home and Abroad

By Michael R. Gordon
New York Times Service

WASHINGTON — President George Bush's decision to establish a goal of completing a strategic arms treaty by the June summit meeting marks an important shift in his thinking on arms control.

Until recently, Mr. Bush and his advisers had refused to set such a goal, saying that negotiating against a deadline could put the United States at a disadvantage in the Strategic Arms Reduction Talks, or START, which deal with long-range nuclear weapons.

In contrast, Mr. Bush had no such qualms about setting an early goal for

completing an accord on cutting conventional forces in Europe.

Mr. Bush's different approaches to the two sets of talks had raised questions about how interested his administration was in arms control.

NEWS ANALYSIS

tration really was in finishing the strategic arms treaty, which was largely negotiated by the Reagan administration.

At the Malta summit meeting, however, Mr. Bush put the strategic arms negotiations on a fast track. And in another noteworthy shift, Mr. Bush backed away from a contentious decision

to maintain the option of producing chemical weapons after a worldwide treaty is reached to phase them out.

Asked about his objectives for the June summit meeting, Mr. Bush said at Malta, "I think we should shoot for a START treaty."

Secretary of State James A. Baker 3d, appearing from Malta on a CBS News television program, was more cautious, saying that he hoped that an agreement in principle could be reached by June, leaving technical details to be completed over the next several months.

The Bush administration said Saturday that Mr. Baker would go to Moscow next month to try to overcome

remaining differences on a variety of strategic arms issues.

Mr. Bush's push to complete the strategic arms accord appears to reflect a number of political as well as foreign policy considerations.

In light of the sweeping political changes in Eastern Europe, the Bush administration appears less concerned with potential opposition from conservative Republicans to a strategic arms treaty.

In foreign policy terms, Mr. Bush's decision to move ahead with START apparently reflects an effort to be responsive to the concerns of Mikhail S. Gorbachev, the Soviet leader.

An administration official recently told reporters that one reason the Kremlin has assigned top priority to a strategic arms accord is that Mr. Gorbachev wants to show the Soviet military that he has succeeded in reducing the U.S. military threat to the Soviet homeland.

The administration appears also to have discovered that the U.S.-Soviet strategic arms talks are easier to manage than the 25-nation East-West negotiations on cutting conventional arms, in which every new Western proposal must be coordinated among disputing allies.

If the Bush administration is looking

for a diplomatic achievement next year, completing a strategic arms treaty appears to be a good objective.

The pace of the strategic arms talks is not the only issue on which Mr. Bush appears to have changed his thinking.

On chemical weapons, he backed away from an earlier decision to preserve the option of producing sophisticated chemical weapons even after a worldwide treaty phasing them out had been completed and was in force.

Mr. Bush's earlier decision was taken at the behest of the Pentagon, which argued that the United States needed to have a stock of new chemical weapons

as a hedge against nations that might violate or refuse to join a global ban on poison gas. This policy drew objections from some West European nations and the Soviet Union.

Mr. Bush said in Malta that he was willing to stop the production of sophisticated chemical weapons when a global treaty took effect, if Moscow accepted two earlier proposals: that Washington and Moscow start cutting their chemical arsenals before a worldwide ban is negotiated, and that the United States keep 2 percent of its chemical weapons after a global ban takes effect until all nations capable of making poison gas join the accord.

Berlin as Future Europe Hub?

Bush Olympics Proposal Spurs Hope of Economic Boom

By Joseph Fitchett
International Herald Tribune

BERLIN — The idea of the Olympics going to Berlin in 2004 is being cheered by German experts, who express hope that the city's reunification will take place before the Games.

In suggesting the venue, President George Bush implied that he foresaw Berlin functioning as a single metropolis, although possibly still divided politically. President Mikhail S. Gorbachev of the Soviet Union has not commented publicly on the plan.

"The idea sounds great to Berliners on both sides," said Margareta Mathiopoulos, who teaches at the Free University in West Berlin, "because even though we don't know what's going to happen tomorrow, it paints an inevitably closer Berlin."

In the divided city, where contrasts in living standards have be-

come even more tangible since the Berlin Wall was opened, the staccato chipping at the wall rings in residents' ears as the prelude to a boom that could restore their city as the economic and intellectual capital of central Europe.

The mayor of West Berlin, Walter Momper, a Social Democrat, speaks for the majority when he says that there can be no new Berlin crisis because of the demise of Communist control in East Germany and much of the rest of Eastern Europe.

"Instead of being a dead-end street," Mr. Momper said recently, "West Berlin has become a thoroughfare to the East, and Berlin can become the hub of central Europe."

But while Berlin's prospects have been transformed, the economic ambitions of Berliners are liable to ruffle diplomatic feathers among the four powers with authority over

this city since it fell as the capital of Hitler's Reich: the United States, Britain, France and the Soviet Union.

Located 200 kilometers (125 miles) inside East Germany, West Berlin has always needed to be propped up with subsidies and other special favors.

West Berliners acknowledge the allies' role in helping the city live to bring down the wall. But useful as the Western allies were against Soviet pressure on West Berlin, a diplomat said, they would be "a broken reed" if they tried to act against West German wishes.

Meanwhile, East German leaders are striving to create a political alternative capable of fending off absorption by West Germany, but popular support for this approach appears to be dwindling fast. Soviet leaders oppose any changes liable to undo the Warsaw Pact.

All this East-West diplomatic scaffolding is being buffeted by economic forces gathering around Berlin. Air traffic is an example.

At present, only airlines from the three Western powers are allowed to fly to West Berlin, and not Lufthansa, the West German airline. Theoretically, the exclusion of Lufthansa supports the refusal of the allies to recognize East Berlin.

Urging the allies to accept inevitable trends, David Anderson, a former head of the U.S. mission in Berlin, says that they should probe for Soviet consent to more independence for West Berlin.

For example, he advocates trying to build an international airport for the 1990s — with a status to be negotiated — on the site of a Soviet-run air base in East Germany at Oranienburg, outside Berlin. It would handle East-West flights, with stopovers in Berlin, that could make the city a hub. Currently, airlines fly into West Berlin, then



An East German border guard peering over the Berlin Wall on Monday at a checkpoint.

turn around and return westward.

If the Olympics were held in Berlin, it would inject fresh momentum in Mr. Anderson's campaign and promote the investment and cooperation that the city needs. Although transport links are reviving, housing shortages remain severe for the two million inhabitants in West Berlin and the 1.3 million in East Berlin.

Beyond that, East Berlin lacks basic facilities like telephones, and in West Berlin even the smartest

streets lack the glossy comfort of most West European cities.

For decades, Berlin has lived off its gritty myth of a town where the hars never close and where the tragedy of German history has not been swept under the rug of prosperity.

But economic change could come quickly. "By spring, the statistics will register a boom here," said Mr. Anderson, who has returned to West Berlin as head of the Aspen Institute.

In recent years, East Berlin has rebuilt the downtown part of the city, which fell just on the Soviet side of the wall, and the grandiose edifices and boulevards — hand-somely restored, but devoid of street life — beckon Western commercial energies.

In West Berlin, real-estate prices already reflect the city's changed outlook. Businessmen say that property values are rocketing around reopened crossing-points that have commercial potential.

Bulgaria Party Asserts It'll Keep Lead Role

Reuters

MOSCOW — The Bulgarian Communist Party will not abandon its automatic right to run the country, the new Bulgarian leader, Petar Mladenov, said in an interview published Monday.

"The only force that could stabilize the country and ensure progress is the Bulgarian Communist Party," Mr. Mladenov said in the Soviet Communist Party newspaper Pravda.

Mr. Mladenov promised to bring change to Bulgaria after he replaced the country's hard-line leader of 35 years, Todor Zhivkov, three weeks ago. Since then the country has revived two political parties and condemned its part in the 1968 Soviet-led Warsaw Pact invasion of Czechoslovakia.

On Wednesday, Bulgarian activists urged the Communist Party to

scrap a clause in the constitution giving it a leading role in government. In the last week East Germany and Czechoslovakia have abandoned similar clauses, following a lead set by Hungary and Poland.

Mr. Mladenov said that the party's immediate goals were to tell the people the truth about the current state of affairs in Bulgaria and to draw up a specific program to stabilize the economy.

He said that the former leadership, worried about challenges to its rule, had rejected the idea of change, allowing severe economic, political and spiritual problems to build up. The party now, he added, must "decisively and convincingly renew its style and methods."

Mr. Mladenov, in Moscow for a meeting of Warsaw Pact leaders, was due to meet with President Mikhail S. Gorbachev on Tuesday.

New Forum Asks for Vote On German Reunification

The Associated Press

BERLIN — Members of New Forum, the largest opposition group, demanded a referendum on German reunification Monday and urged the government to allow quick free elections. One spokesman said Communist leaders had "lost all legitimacy."

There have been growing calls to reunite the two Germans, but New Forum previously had warned against such suggestions. A statement signed by New Forum leaders, Claus Gerd Scheidel and Christiane Pätzold, said the long-term possibility of one German state within present borders of the two countries was "no longer an unthinkable utopia."

The statement urged all New Forum organizations to press for a quick referendum to find out "what the real wish of the people" was on the issue of reunification.

West Germany claims that most East Germans want reunification, but there have been no opinion polls or other indications of how East Germans feel about the issue.

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El Salvador: Angels In No-Man's-Land

Rescue Workers Form Vital Lifeline

By Mark A. Uhlig
New York Times Service
SOYAPANGO, El Salvador — Trapped alone against a shallow doorway under intense machine-gun and rocket fire, a journalist covering the recent fighting here suddenly felt a hand touch his shoulder.

"Come with me," said the teenage newcomer, who had worked his way to the besieged man through two city blocks of furious crossfire. Ignoring the eerie huzz of bullets passing around him, the teenager thrust a large white flag with a green cross into the path of the firing. Then he stepped cautiously away from the doorway, guiding the journalist back through an urban no-man's-land to safety.

The incident, at the height of a rebel offensive that began Nov. 11, was one brief, humane counterpoint to the violence that has raged between government troops and leftist guerrillas.

But it typified the courage and skill of what has become El Salvador's third army: hundreds of trained volunteers who take huge risks to aid and evacuate those threatened by the fighting.

Once organized to guard beaches, fight fires and help accident victims, El Salvador's relief workers have been forced by a decade of war to become masters at defying the odds of modern combat.

Dressed in distinctive shirts or uniforms and protected only by their white flags, the rescuers have served in Soyapango and throughout the country as a vital lifeline not only for civilians but for wounded fighters of both sides.

"Thank God for these people," said Cristina Isabel Renteros, who was helped by one group of relief workers, the Green Cross, as she fled with five children from her home in the Hacienda Prussia neighborhood of Soyapango, a scene of heavy fighting. "They have done everything to help us."

In the San Salvador area alone, at least 700 such volunteers worked day and night in the recent fighting, sponsored by the national Red Cross and another well-equipped group called the Rescue Commandos.

They were joined by hundreds of workers from smaller relief organizations, including the Green Cross, the Blue Cross, the International Rescue Brigade and local fire fighters. Their work has been buttressed by physicians and other specialists from international organizations like Doctors Without Borders and Doctors of the World.

Linked by radio to their fellow rescuers, and by telephone emergency numbers to those they seek to help, the relief workers have often arrived at the scene of fighting even before government troops have cordoned off the area. And the aid workers' close familiarity with many neighborhoods has often given them a crucial edge over the combatants on both sides.

But once inside a combat zone, the rescuers' survival depends on little more than a white flag and a



A soldier in San Salvador examining the underside of a minibus as another checked the papers of its passengers. The government eased a dusk-to-dawn curfew nationwide on Monday as calm prevailed in the capital, but troops and leftist rebels continued to fight elsewhere.

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But once inside a combat zone, the rescuers' survival depends on little more than a white flag and a

daredevil sense of when to avoid a final, fatal risk. In many areas, particularly in the first days of the recent guerrilla offensive, aid workers were barred by government troops from crossing the front lines to pick up wounded. In other areas, the fighting was too fierce to permit rescuers to bring victims out without

exposing them to mortal danger along the way. Despite such risks, the number of victims rescued by the aid workers outpaced efforts to keep an accurate count of the offensive's casualty toll.

Statistics kept by the Salvadoran Red Cross show that 580 wounded people were evacuated by that or-

ganization in the first two weeks of fighting. Figures kept by the Rescue Commandos, whose yellow-uniformed volunteers are perhaps the most easily recognized of the rescue specialists, show that in the same period it evacuated 2,517 wounded people and helped 28,908 people flee the scene of fighting.

Disclosures Add Weight To Charges of Managua Role in Salvador Arms

By William Branigan
Washington Post Service

MONTELEMAR, Nicaragua — Shortly before two arms-laden airplanes, west down in El Salvador on Nov. 25 during an apparent mission to resupply leftist Salvadoran rebels, residents here were awakened by the roar of engines from the predawn takeoff of two aircraft, Nicaraguan peasants and militiamen said.

Before the planes arrived, they said, Sandinista soldiers and police disarmed local militiamen and sealed off a 1,800-meter (6,000-foot) asphalt airstrip, which is next to a tourist complex being built on the site of a former private beach estate of the late Nicaraguan dictator, General Anastasio Somoza.

Residents of the area said that one of the planes flew so low on takeoff, possibly because it was heavily loaded, that its wheels clipped a power line over an adjacent sugar cane field and toppled a pair of utility poles.

The disclosures, in interviews with 10 residents here, including three Sandinista militiamen, support charges by U.S. and Salvadoran officials that Nicaragua was involved in supplying El Salvador's Marxist-led guerrillas with Soviet-bloc surface-to-air missiles and other weapons in violation of a Central American peace accord.

The rebels of the Farabundo Martí National Liberation Front are currently waging an offensive against the government of President Alfredo Cristiani.

The residents' accounts also undercut the arguments of some Sandinista officials that the planes could have come from elsewhere in the region, which they charge has been turned into a huge arms market by the United States.

According to the U.S. government, the flights were not the first Sandinista effort to smuggle arms to the Farabundo Martí rebels in their 10-year guerrilla war.

Over the years, the State Department has charged, U.S. intelligence information and various sources — reports from guerrilla defectors, captured rebel documents, arms seizures by the Salvadoran and Honduran armies and occasional admissions by Sandinista leaders — have pointed to a pattern of Nicaraguan aid for the rebels that began shortly after the July 1979 overthrow of General Somoza.

One of the planes found in El Salvador on the morning of Nov. 25, a twin-engine Cessna 310, ran out of fuel and crashed with a load of anti-aircraft missiles. Four crewmen died, including one who committed suicide. The other plane

landed safely and delivered its cargo to waiting guerrillas, but was unable to take off because of mechanical problems. The crew apparently escaped with the rebels.

Found in the aircraft that crashed was a list of locations, headings, flight distances and drop points. From them, U.S. experts reconstructed a flight plan and concluded that the plane had left from this spot on Nicaragua's Pacific coast about 55 kilometers (33 miles) southwest of Managua.

Interviewed Saturday at his wooden shack near Montelemar's airstrip, a farm worker said that two planes had landed in the evening, a week earlier and had taken off shortly after 3:30 the next morning. The motors were very strong, he said. "They woke up the animals. Out of curiosity I went out to look."

Asked if airplanes had taken off at night the previous weekend, a woman who lives nearby said, "You mean the ones that crashed in El Salvador?" She said she had heard two planes take off before dawn Saturday and that residents generally associated them with the news they heard later from El Salvador, although none had seen any arms being loaded.

She and other residents also remarked that one of the planes had knocked down a couple of utility poles beside a water pump in a one-half mile east of the runway. Two reporters found a pair of broken wooden poles at the site and two new ones in its place.

Three militiamen said that Sandinista security forces had disarmed them before the planes arrived, explaining that a top commander was visiting. They said that their rifles were returned the following day.

In El Salvador, three of the four crewmen at the Cessna crash site wore what appeared to be Sandinista military uniforms. Although none carried personal identification, Nicaraguan currency and bus tokens were found in their possession.

A registration code on the plane, YN BYK, was identified by Nicaraguan pilots and aviation officials as belonging to a Cessna 310 that SETA reportedly had sold a few months ago to Nicaragua's state-owned National Development Bank. Officials of the bank declined to comment.

Five days after the crash, Salvadoran guerrillas in Managua confirmed that their forces had acquired anti-aircraft missiles, but refused to say where they came from.

Spoiled by Official Largesse, Mexican Newspapers Resist Independence

By Larry Rohter
New York Times Service

MEXICO CITY — Something odd has happened to President Carlos Salinas de Gortari's effort to reduce the government's financial influence over newspapers.

Mexico's newspaper publishers are resisting it.

Many publishers see the measure as a threat to longstanding business and political arrangements with the state.

Mr. Salinas, in an address to the Inter-American Press Association in October, offered to relinquish the government's monopoly on newsprint to remove "any obstacle to the full exercise of freedom of expression" in Mexico.

But the Mexican publishers association responded by unanimously requesting that the newsprint company "remain a public-sector enterprise."

The state monopoly, Productora y Importadora de Papel SA, was set up in 1935 to alleviate publishers' concerns about the scarcity and high price of news-

print. But the government has frequently used Pipsa, as the monopoly is known, to ensure its control of the press.

The reluctance of publishers to endorse the end of the long-unprofitable monopoly is a vivid indication of the trouble that most newspapers and magazines are having in adjusting to changes in Mexico.

The hotly contested presidential election last year and the emergence of a more competitive political system have led to growing public dissatisfaction with a press that is widely viewed as corrupt and submissive to the Institutional Revolutionary Party, or PRI, which has been in power since 1929.

Meanwhile, Mr. Salinas, who took office on Dec. 1, 1988, has carried out an economic program that includes withdrawing subsidies and selling inefficient state-run enterprises.

The newsprint question is important both for economic and political reasons, given that the Mexican government has been known to limit supplies to publications that offend the state.

In 1974, for example, the independent daily El Norte of Monterrey found its newsprint supply cut by 83 percent when Luis Echeverria, then president of Mexico, was angered by the paper's news coverage and editorials.

"We have had fairly good relations with this administration and fairly bad relations with some previous administrations," said Ramon Alberto Garza, the editorial director of El Norte, which has long pressed for an end to the newsprint monopoly.

"But in a democratic regime, you can't depend on the goodwill of the president and the head of Pipsa."

For many newspaper owners, though, the state monopoly offers financial advantages.

As the editor of one leading daily acknowledged recently, Pipsa is "a source of unlimited credit," which allows unprofitable newspapers to run up huge bills that are either not collected or heavily discounted.

Critics of the press argue that in return

most major newspapers refrain from publishing articles that might offend the governing party or the Interior Ministry, which runs Pipsa.

The publishers association has denied those accusations.

One week before Mr. Salinas spoke, however, the Mexican press was publicly embarrassed when Manuel Becerra Acosta, the editor of the left-center daily Unomásuno until early this year, told a Mexican news magazine that he had agreed to sell his shares in the newspaper and go into exile in Spain in return for a \$1 million payment from the Interior Ministry.

His troubles began, he said, when the government demanded that he pay a \$2 million debt to Pipsa. He also asserted that the government now controlled his shares through a business executive with close ties to the governing party.

The Interior Ministry has neither confirmed nor denied Mr. Becerra's account, and the new management of Unomásuno has denied the charges.

But the incident further damaged the

press's image and cast doubt on the sincerity of Mr. Salinas's declarations that he wanted to promote a strong and independent press.

In practice, a famous dictum about the Mexican press by the former President José López Portillo — "I don't pay them, so that they can beat up on me" — still seems to be in force.

Reporters at several leading newspapers, who asked not to be identified, said that government ministries, the governing party, labor unions and others continue to pay monthly stipends to deflect unfavorable coverage, and that most reporters accept these bribes, which often total several hundred dollars.

What is seen by many Mexicans as institutionalized bribery has not been discouraged by many publishers, since it allows them to pay salaries as low as \$150 a month to their reporters.

The government is the leading advertiser in newspapers and magazines. Previous administrations have threatened to withhold advertising to punish publications that step out of line.

Quick! Who did you call on the night of May 25th?

Previous Balance		Credits/Payments
\$45.99		\$45.99
Ref. No.	Item No.	Description
5164-0		PAYMENT RECEIVED-THANK YOU 05/25
6041		AT&T CARD CALL
		FR GE TO 2125554742
		71290114 TIME 1145 DATE 05/25
16041		AT&T CALL
		FR 4555
		71 E
76041		AT&T
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Place Vendôme Story: A Tale of Many Stones

International Herald Tribune
PARIS — The mountain vista is of snowy ridges, a shimmering glacier, and scintillating branches of a petrified tree. Below it, a butterfly spreads diamond wings from a sapphire belly in a frozen fairy-tale landscape.

Place Vendôme — France's home of fine jewelry — is *en fête*, and behind the classical arches built under Louis XIV lies a winter wonderland.

The windows of Van Cleef and Arpels, where alpine mini-vistas have been made out of mineralogi-

SUZY MENKES

cal materials, are the most vivid exposition of this year's theme of "stones" — meaning not the icy white diamonds, the red hot rubies, the sapphires and emeralds that have traditionally made the fortunes of Place Vendôme. The jewelers that line the square and its environs can choose any kind of rocks to tell their stories.

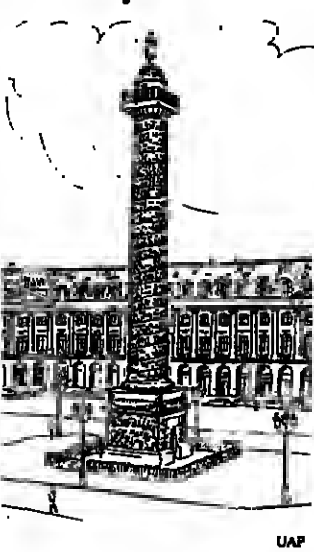
At Cartier, in Rue de la Paix just outside the square, the store's facade has been transformed into a cave for Tuesday's one-night festival. Chunks of rough-hewn marble, with a narrow peephole, create a monolithic pharaoh's tomb — a suitably exotic setting for Cartier's jewels on an Egyptian theme: winged scarabs as a pin or the centerpiece of a bold gold necklace; fat cats of the pharaohs stalking the throat of a gilded collar; neo-classical plaques riveted with diamonds; mythological medallions and oriental timepieces.

Other jewels reflect themes currently on show at the crowd-pulling Cartier exhibition at the Petit Palais, where Parisians are entranced by exterior illuminations that change color monthly, from royal blue to imperial purple and pine-tree green.

Yes, jewelers too are turning green. Their products may be the ultimate in luxury consumerism, but shapes for the ecologically aware new decade are sculpted from nature. Boucheron has succulent clusters of grapes as jeweled earrings. There are clips of flat flowers with coral petals or necklaces that trail blooms across a gold lattice — the most striking in three shades of coral from pink through shrimp, with dainty leaves of green agate. Fruit clips — cherries, pineapples, apples and pears — are sculpted from ridged and polished gold.

Although "high" jewelry is the core business in Place Vendôme, boutique lines, using semiprecious stones — coral, lapis, agate and tourmaline — sell from \$2,500 to perhaps \$25,000, rather as couture

Place Vendôme, France's jewelry center and scene of a holiday fête.



houses offer more affordable ranges of clothes. Watches, made in a signature house style, have been another important development for jewelers.

Boucheron is focusing on its watch; suspending a giant model on its Place Vendôme facade while the windows re-create the ateliers of watchmakers past and present. For Tuesday night's festival, glove puppets will enact scenes of romance and drama — the puppeteers' hands appropriately sporting bracelets and rings.

At Chaumet, currently being restructured after the scandal that rocked the house two years ago, a new jewelry collection echoes the classical beauty of Place Vendôme. Arches of diamonds on a fine frame form glittering and graphic necklaces. By contrast, a different

Renaissance theme produces leafy parures of diamonds with baroque clusters of jeweled berries or just creamy pearls gleaming amid articulated foliage.

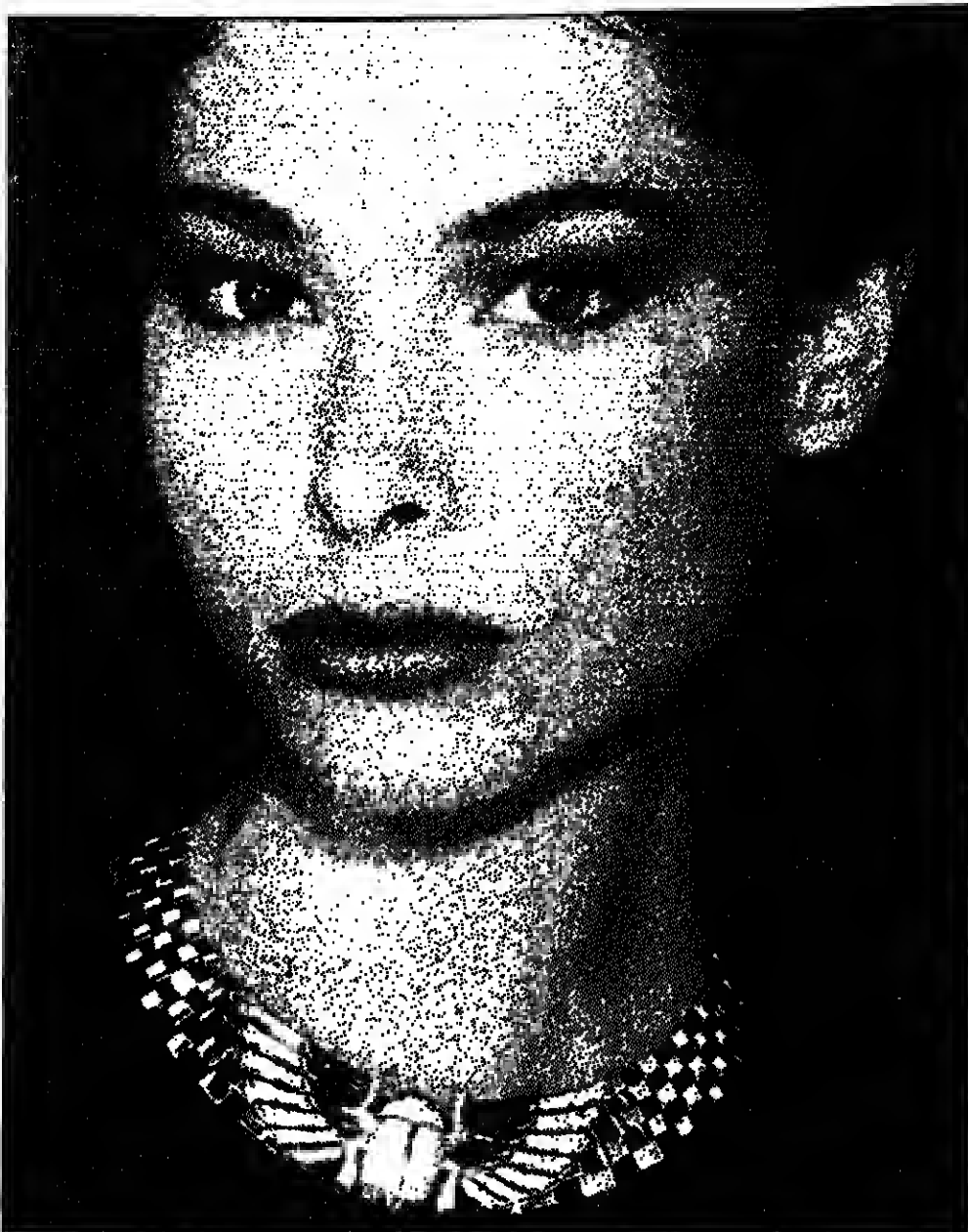
Ilias Lalaounis, the Greek goldsmith with a boutique in Rue Saint-Honoré, bases his striking designs on historical research. Inspirations have included primitive tribal ornaments, plants, biological forms and droplets of water; ancient cultures from Minoan through Byzantine to Chinese; jewels tracing Jacobean or Todor or Japanese ornaments. The unifying factor in Lalaounis' work is the use of warm, yellow gold — the color and texture that has lured him through the ages in his royal hunt for the sunny metal and for streets metaphorically paved with it.

New paving stones will restore the austere grandeur of Place Vendôme in the new year. The square's centerpiece has undergone many changes: an equestrian statue of Louis XIV lasted until the revolution; the Napoleonic column that replaced it has itself survived more than one change. Graceful 18th-century architecture filled in the Sun King's facade, which is reflected in the arches of greenery decorating the sidewalks for the holiday season. The Ritz Hotel, a dowdy dowager rejuvenated by a spectacularly successful face-lift carried out by its owner, Mohammed al-Fayed, is now the mecca for the rich and famous in Paris.

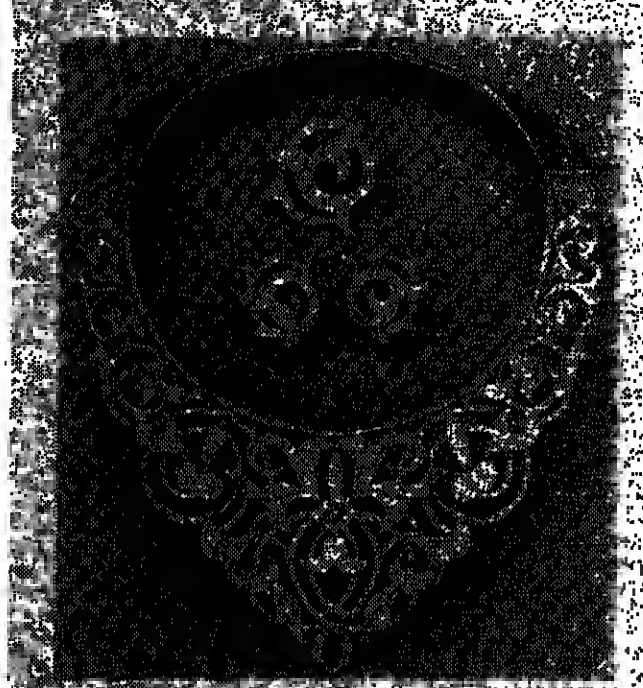
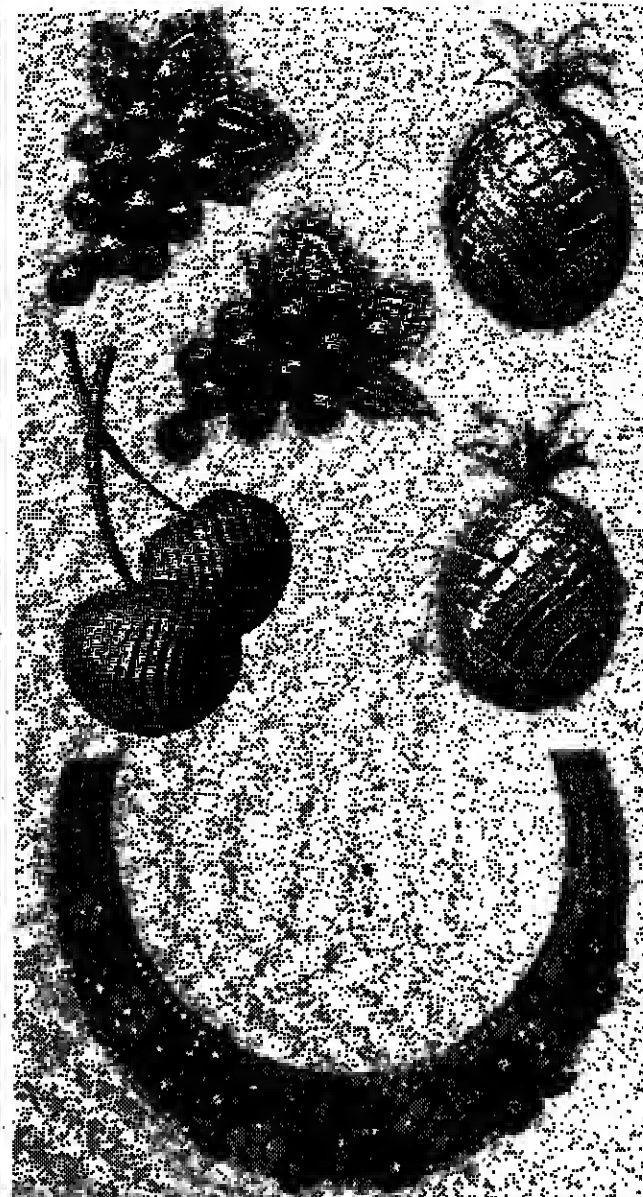
Behind the current neighborhood festivals in Paris lies competition for luxury shoppers at the prime time of the year. On the same Tuesday night, Place des Victoires, with its avant-garde fashion designers, is also celebrating. Last week it was Rue Royale, celebrating with a circus and a concert.

Meanwhile, Avenue Montaigne continues to hold its key position as the street for luxury shopping. Significantly, it is in this avenue, near Harry Winston, that Bulgari — which last month celebrated 10 years in Paris — has its boutique. There Bulgari sells its extravagantly crafted jewels in appetizing colors — watery green peridot with amethyst or pink tourmaline with lapis. In striking settings, with the stones mostly embedded in gold, the rings are set with mixed gemcuts — baguette diamonds with cabochon or faceted rubies and pearls.

In any geographical setting, fine jewelry is a feast for the eyes.



Some of the pieces by jewelers in the Place Vendôme neighborhood for the holiday season. Cartier's Egyptian theme is shown in a necklace, above, with a diamond-encrusted winged scarab as a centerpiece, and at left another scarab in relief adorning a gold wrist bracelet. At right, from top, Boucheron's earrings and clips in fruit forms — grape bunches and pineapples in gold and diamonds, cherries in gold; a necklace in three shades of coral, with agate, diamonds and gold, by Van Cleef and Arpels; Lalaounis' gold lacework set.



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Fashion World Weighs '90s Challenges

International Herald Tribune

DÜSSELDORF — "There is already a united Europe in culture — for concerts, opera, music, architecture, film, science and fashion," Helmut Schmidt, the former chancellor of West Germany, declared. He was the first speaker at a top-level international fashion meeting held Monday in Düsseldorf — on the eve of the 1990s and in the wake of the cataclysmic changes in Eastern Europe.

This summit gathering of the tex-

tile and fashion world was organized by Manfred Kronen, chairman of Igedo Internationale Modemesse, in the congress center of the vast exhibition area where West Germany's fashion is shown and sold.

A new exhibition, Fashion Promotions Düsseldorf, an advance look at merchandise for winter 1990, aimed at the big store contract market, opens in Düsseldorf Tuesday.

Karl Lagerfeld, Germany's most distinguished international fashion designer, and Bruno Tietz, an economics professor, spoke along with Schmidt, who is now publisher of the weekly *Die Zeit*.

Captains of the German fashion industry, Klaus Suckmann and Wolfgang Ley of Escada, were in the audience to hear Schmidt assert that the U.S. economic crisis and budgetary deficit meant that Japan was now the power-purchaser of fashion. Lagerfeld, who returned Saturday from a Far East trip, also said that both Germans and Japanese had an image problem in that

they were economically successful but unpopular.

Ley endorsed another of Schmidt's comments: that not every European country could benefit equally from 1992.

"These are fascinating and challenging times," Ley said. "But the infrastructure is different in each country. A business like ours that is growing 35 to 40 percent a year has its own problems with its structure."

Just because East Germany has now opened up, it doesn't mean we should go rushing in there," Tietz said that the European single market of 1992 now had to be looked at in relation to the changes in Eastern Europe and the opening of the Berlin Wall, as well as in the light of population growths and other demographic factors.

Klaus Steilmann started producing in Yugoslavia 20 years ago and 20 percent of his company's production is done in Eastern Europe, notably Romania, Bulgaria and Poland.

"But to talk of a challenge from Russia, you are talking about

changing a system that has been closed for 70 years," says Steilmann. "It is going to take them at least two generations. East Germany has only been shut off for 40 years, it may be easier for them."

The influx of East Germans into the West is an economic dynamic, according to Tietz.

Yet all the speakers suggested that France would be the cultural leader of the community — partly because, according to Schmidt and Tietz, the Germans still had to overcome their war record for at least another generation.

West Germany has been a great success story in fashion over the last two decades, with the country now one of the world's leading clothing exporters. Yet Lagerfeld summed up the chauvinistic attitudes that persist in Europe on the eve of the 1990s.

"In Germany, I am hated as 'the designer who went away' in France I am 'that German invader'; and in Italy I am 'that horrible designer from Paris,'" he said.

— SUZY MENKES

Daum Lamp Sold For Record Price Of \$1.76 Million

United Press International

NEW YORK — An 89-year-old lamp sold for a record \$1.76 million — almost twice its estimated price — to an unidentified bidder, Sotheby's auction house reported.

The price was the highest ever paid for a work by the French Daum crystal firm, as well as the most ever paid for a lamp sold at auction, said Laura Stewart, a spokeswoman for Sotheby's.

The 31-inch high bronze piece, with three stems supporting a pink-and-green shade, had been estimated to fetch between \$300,000 and \$600,000, Stewart said.

Another lamp, made of wrought iron and glass by the French artist Emile Gallé, set a record for the artist when it was sold to an anonymous bidder for \$1.1 million.

Other sales at the auction included two other Daum lamps, which sold for \$375,500 and \$165,000 to anonymous bidders; a second Gallé lamp, sold for \$187,000 to an anonymous bidder; and a 1923 silver-plated glass box, sold to the U.S. art dealer David Weinstein for \$225,000.

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ACROSS

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- 5 Ariz. city
- 10 "Saint Joan" dramatist
- 14 Scribe or cantor
- 15 Labor group
- 16 "Hell" — no fury
- 17 Voice in a choir
- 18 Painter of "La Grenouillère"
- 19 Feed the kitty
- 20 Author of the quotation below
- 22 "The Bathes" painter
- 24 "Wonderful" red star
- 25 First word of a quotation
- 26 One of the Society Islands
- 29 Improbable
- 30 Medicinal plant
- 31 Pure
- 33 — Jo. top Olympics racer
- 36 Norwegian bay
- 38 Curvy letter
- 39 Monarch
- 41 Mack or Knight
- 42 Makes joyful
- 45 Actress Patricia
- 46 Ease up
- 47 Cafe
- 49 Quotation: Part II
- 52 Concerning
- 53 Hippindam
- 54 End of quotation
- 58 Bacon measure
- 59 Capital of Morocco
- 61 Pueblo Indian
- 62 Satan sows its seeds

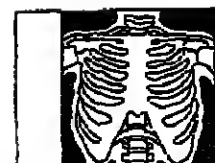
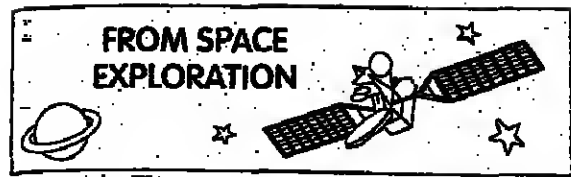
DOWN

- 1 Major Hoople's expletive
- 2 Indonesian island
- 3 Fragments
- 4 More tempestuous
- 5 Yellow spics
- 6 — Gay (historic plane)
- 7 Kind of bus or skirt
- 8 "The Gold Bug" author
- 9 Hand over for safekeeping
- 10 Crudely built hut
- 11 An Asian capital
- 12 Garret
- 13 — there's smol'a...
- 21 Islet
- 23 Chemical compound
- 25 James or Jackson
- 26 Wilson's predecessor
- 27 "I cannot tell"
- 28 Mount or Robin
- 29 Sample
- 32 Brush P.M. 1970-74
- 33 Escape
- 34 Cordelia's father
- 35 Paris airport
- 37 Coming-out
- 40 Loosen a horse

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Solution to Previous Puzzle

ELIHU DISC SPAT
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INTERNATIONAL STOCK MARKETS

No Longer a Wasteland,
OTC Booming in JapanBy Vibeke Larri
Reuters

TOKYO — Japan's over-the-counter stock market, once a wasteland for little-known stocks, is currently booming. It has enjoyed a sevenfold expansion over the past five years, fueled both by companies eager to sell shares and investors eager to buy.

"It took 100 years to see 1,600 companies list on the TSE (Tokyo Stock Exchange)," said Kojiro Watanabe, president of the Tokyo Investment Information Center. "But it will take 15 years for the OTC market. This is a revolution."

There were 252 OTC firms as of October 1989.

"The OTC index will outperform any TSE index over the next two to three years," Mr. Watanabe forecast.

Capitalization has ballooned to about 7 trillion yen (about \$49 billion) from one trillion in 1984, making it larger than the New York stock market and four times London's second section.

"It is quite a large market in its own right," said John Donald, OTC analyst at Jardine Fleming Securities Ltd.

The OTC enjoyed a boom in the early 1960s, but faded just as fast. Until a few years ago, brokerages were not allowed to recommend OTC stocks or to distribute their reports.

"The OTC market was totally neglected," Mr. Watanabe said. In July, the government removed one sticking point for companies thinking of OTC listing, by easing regulations governing additional share offerings. Since 1986, only 17 companies registered on the OTC market have made further share offerings after their original floatings. But now the OTC market is as attractive as the TSE as a venue for fund-raising, analysts said.

"The OTC is a very useful way for small companies to finance," said Mr. Donald of Jardine Fleming.

Compared with the TSE's second section, OTC listing requires fewer shares, fewer shareholders and less historical data. The government has also moved to eliminate dubious practices by requiring fair pricing for OTC issues.

"There were abuses of the system," Mr. Donald said. "The most obvious was Recruit. That period of abuse is over."

A NUMBER OF POLITICIANS and company officials reaped large profits by buying shares in a real estate subsidiary of Recruit Co., a publishing and communications conglomerate, then selling them after it was listed on the OTC market. The influence-peddling affair, now in the courts, has been Japan's worst post-war political scandal.

Higher short-term interest rates have also pulled some investors away from large-capital issues featured in the TSE first section, whose profits are sensitive to interest-rate increases, to smaller firms on the OTC and second section.

Faster growth in services is also favoring investment in the OTC market. "The weighting of the service industry in the expansion of the Japanese economy has increased and many such firms are listing on the OTC market," said Kenji Urakami, senior advisor at Nikko Securities Investment Trust & Management Co.

A resurgence in companies seeking venture capital is also contributing to the market's growth, analysts say. A disco, an Italian restaurant and a baby goods company are among the next likely candidates for OTC listings, subject to decisions by their chief executives.

The subsidiaries and affiliates of some large, well-known companies are also eager to list, they said.

And the small, high-growth, high-risk image of OTC companies attracts foreigners.

"All of a sudden overseas investors are very quietly appearing on the list of top 10 shareholders," said Mr. Watanabe of the investment center. "We will see more new names."

AMEF
Stake Not
MovingBerlusconi Allies
Won't Sell to Him

Compiled by Our Staff From Dispatches

MILAN — A stockholder at the center of the row for control of Italy's largest publisher, Arnoldo Mondadori Editore SpA, said Monday he would not sell his shares to Silvio Berlusconi despite forming an alliance with him at the weekend against the concern's other major shareholder, Carlo de Benedetti.

Luca Formenton told the daily Corriere della Sera that he had common interests with Mr. Berlusconi, a leading media businessman.

But asked if he intended to sell his stake to Mr. Berlusconi, Mr. Formenton replied, "absolutely not."

Late Monday, Mr. de Benedetti said the Formenton family had agreed in 1988 to sell him their stakes by Jan. 30, 1991.

Mr. Formenton, with his mother Christina Mondadori, owns a 25.7 percent stake in AME Finanziaria SpA, or AMEF, which controls Mondadori. Mr. de Benedetti's Compagnie Industrielle Riunite SpA holds 26.3 percent, and Mr. Berlusconi's Fininvest SpA controls a further 34.3 percent in alliance with Leonardo Mondadori, grandson of the founder.

Until the weekend, Mr. de Benedetti controlled AMEF in alliance with Mr. Formenton and his mother, but they announced the withdrawal of their support in protest at what they described as Mr. de Benedetti's attempts to gain control of Mondadori through separate share acquisitions.

Mr. Formenton said that his alliance with Mr. Berlusconi was different in character to his former agreement. With Mr. de Benedetti, "we had a management accord," Mr. Formenton said. "With Berlusconi we have not formalized a similar pact. We are united by common interests," he said. (Reuters, AP)

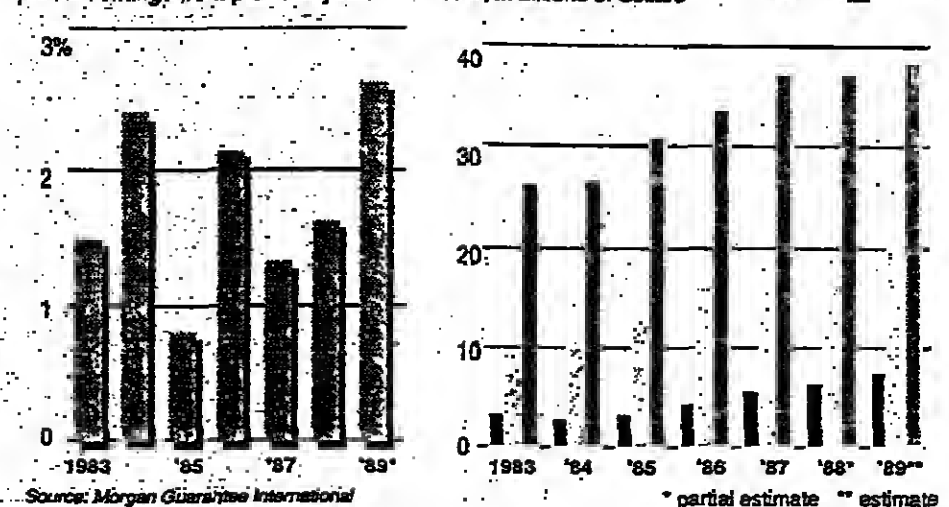
■ Ferruzzi Move Criticized

Italian stock market dealers attacked a decision by the house regulatory authority, Consob, to suspend shares of Ferruzzi Finanziaria SpA, La Fondiaria SpA and Gaic SpA, following the weekend announcement of the sale of Ferruzzi's 49 percent stake in La Fondiaria to Gaic, Reuters reported.

Consob "should take account not only of the interests of the big groups but also the needs of minority shareholders," the National Association of Stock Market Dealers said.

Czechoslovakia's Battling Economy

G.N.P. Not adjusted for inflation, which does not officially exist, percent change from previous year.

Foreign Debt
External hard currency debt, in billions of dollarsCzechoslovakia
Hungary
Poland

Ready for Change, Say Czechs

Prague Has Good Starting Point for Market Economics

By Steven Greenhouse
New York Times Service

PRAGUE — Czechoslovakia's moves toward political change have had one economic effect about which the Czechs are not very happy: dollars are costing far more on the black market.

The official exchange rate is 9.25 Czechoslovak crowns to \$1, but the black market rate has soared to almost 45 crowns, from about 30 before the political turmoil began.

The word on the street — or at least in the underground where the drivers run a thriving money-changing business — is that many Czechs have rushed to buy hard currency as soon as the government said it would cut down the barbed wire on the Czechoslovak-Austrian border.

With Christmas approaching and restrictions on visas relaxed, Czechoslovakia is eager for dollars or Austrian schillings so that they can shop in Vienna, which has consumer products not available in Czechoslovakia.

The crown's slide is not alarming officials or economists, even though it might cause many Czechs to focus more of their energies on moonlighting for dollars.

Indeed, the Czechs have a certain cockiness as they prepare to move from communism into market-oriented economics.

"We have a better starting point than the other socialist countries," said Vladimir Dlouhy, the deputy director of the government's Economic Forecasting Institute.

Mr. Dlouhy said it was ludicrous to compare Czechoslovakia with Poland, which is nearly destitute, largely agricultural and plagued by 500 percent inflation.

He argues that Czechoslovakia is in better shape even than East Germany, despite the lavish aid that East Germans can expect from West Germany.

"The East German economy has fallen badly off balance," Mr. Dlouhy said, "because of the massive exodus of workers and the effects that the shock of opening the borders has had on its currency."

He notes that Czechoslovakia's inflation rate, including hidden inflation, is only about 2.5 percent, and that it has no official unemployment and, unlike Poland and Hungary, no debt crisis.

Some economists in Prague talk much about Czechoslovakia's prosperous past as testimony to its potential for the future.

In 1938, they note, its income per capita was 10 percent higher than Austria's, though now it is 35 percent lower.

See CZECH, Page 17

Coniston Boosts
UAL Holdings,
Talks of Deal

Compiled by Our Staff From Dispatches

NEW YORK — The Coniston Partners investment group said Monday it had raised its stake in UAL Corp., parent of United Airlines, to 11.8 percent from 9.7 percent and had talked to the company's managers and employees about a possible takeover or other deal.

UAL shares rose sharply following the announcement, gaining \$5.50, to \$179.50, by the close of trading on the New York Stock Exchange. On Friday, the stock had advanced \$12.50.

The Coniston stake in UAL is held by the investors' holding group, Condon Partners, which disclosed its increased stake in a filing with the Securities and Exchange Commission.

Coniston has said that it plans to oust the UAL board through a consent solicitation and to pursue what it called "an extraordinary transaction" to raise the company's stock price.

The filing Monday said Condon had met with UAL managers and union representatives to discuss the issue.

"Depending upon the progress being made toward the consummation of an extraordinary corporate transaction, Condon will determine how quickly it intends to proceed with its previously announced proposed solicitation of consents," Condon said in the SEC filing.

Meanwhile, UAL said that it was preparing for a series of meetings with United Airlines employees to discuss a revised proposal for an employee-led buyout of the company.

Analysts have said that rising hopes last week for new bid may have been exaggerated, because UAL has yet to gain support from

banks and the airline's unions. UAL shares have climbed on speculation about a new deal.

An employee-led bid collapsed nearly two months ago for lack of financing, leading to a sharp fall in UAL shares and dragging down Wall Street prices.

A UAL spokesman confirmed Monday that management had sent letters to the employees on Friday saying that Paul George, the company's senior vice president for human resources, would meet soon with the three unions and with non-union workers to discuss "a new employee ownership concept."

The proposal will be presented Wednesday to the flight attendants union, according to a union official.

The date of the other meetings was not known.

But an investment banking source predicted that they would be held as soon as possible in hope of presenting the new proposal to UAL directors at a board meeting on Dec. 13.

United's pilots, represented by the Airline Pilots Association, have been seeking to lead an employee buyout of UAL for years. The flight attendants, members of the Association of Flight Attendants, also have expressed interest.

Those unions together represent about 20,000 of the airline's 68,000 employees — 7,000 pilots and 13,000 flight attendants.

The employee-buyout concept, however, has met stiff resistance from the airline's biggest union, the 25,000-member International Association of Machinists and Aerospace Workers, and from nonunion employees. (Reuters, UPI)

CURRENCY RATES

Cross Rates	Dec. 4
Australia	1.34
Belgium	36.52
France	166.63
Germany	1.36
Italy	1.36
Japan	163.60
Netherlands	1.36
Spain	166.63
Sweden	1.36
Switzerland	1.36
UK	1.36
US	1.36

Charges in London and Zurich, indices in other centers. New York closing of 1989: not quoted. N.A.: not available.

Other Dollar Values

Currency	Per \$
Australian	1.34
Belgian franc	36.52
French franc	166.63
German mark	1.36
Italian lira	1.36
Japanese yen	163.60
Netherlands guilder	1.36
Spanish peseta	166.63
Swedish krona	1.36
Swiss franc	1.36
UK pound	1.36
US dollar	1.36

New York rates unless marked (local rate).

Forward Rates

Currency	30-day	60-day	90-day	120-day
Australia	1.34	1.34	1.34	1.34
Belgium	36.52	36.52	36.52	36.52
France	166.63	166.63	166.63	166.63
Germany	1.36	1.36	1.36	1.36
Italy	1.36	1.36	1.36	1.36
Japan	163.60	163.60	163.60	163.60
Netherlands	1.36	1.36	1.36	1.36
Spain	166.63	166.63	166.63	166.63
Sweden	1.36	1.36	1.36	1.36
Switzerland	1.36	1.36	1.36	1.36
UK	1.36	1.36	1.36	1.36
US	1.36	1.36	1.36	1.36

Sources: Reuters, Bank of America, Bank of Tokyo, Citicorp, Deutsche Bank, etc.

INTEREST RATES

Barrocurrency Deposits	Dec. 4
1 month	5.00%
3 months	5.00%
6 months	5.00%
1 year	5.00%

Sources: All Reuters except ECU, Lloyds Bank.

Key Money Rates

Currency	Dec. 4
Australia	1.34
Belgium	36.52
France	166.63
Germany	1.36
Italy	1.36
Japan	163.60
Netherlands	1.36
Spain	166.63
Sweden	1.36
Switzerland	1.36
UK	1.36
US	1.36

Asian Dollar Deposits

Currency	Dec. 4
Australia	1.34
Belgium	36.52
France	166.63
Germany	1.36
Italy	1.36
Japan	163.60
Netherlands	1.36
Spain	166.63
Sweden	1.36
Switzerland	1.36
UK	1.36
US	1.36

U.S. Money Market Funds

Currency	Dec. 4
Australia	1.34
Belgium	36.52
France	166.63
Germany	1.36
Italy	1.36
Japan	163.60
Netherlands	1.36
Spain	166.63
Sweden	1.36
Switzerland	1.36
UK	1.36
US	1.36

GOLD

Currency	Dec. 4
Australia	1.34
Belgium	36.52
France	166.63
Germany	1.36
Italy	1.36
Japan	163.60
Netherlands	1.36
Spain	166.63
Sweden	1.36
Switzerland	1.36
UK	1.36
US	1.36

Sources: Reuters, Bank of America, Bank of Tokyo, Citicorp, Deutsche Bank, etc.

Career Woman Takes
Top Role at ReviewBy Allison Leigh Cowan
New York Times Service

NEW YORK — Professor Rosabeth Moss Kanter, a Harvard Business School expert in organizational behavior and a noted management consultant, has taken over the top editorial job at The Harvard Business Review, succeeding Professor Theodore Levitt, who will return to teaching.

The change in control involves what might be considered one of the most influential journals in American higher education, journalism and business.

Nonetheless, it was accomplished with an extraordinary lack of fanfare. The school did not issue a news release, and the 67-year-old bimonthly magazine did not even alert readers in its November-December issue of the impending transition.

"This is an internal shift of responsibilities," Mrs. Kanter said. As editor of the Review, Mrs. Kanter, 46, said she would strive to improve the publication's "share of mind," that is, find ways to attract the attention of some very busy people.

That has always been a daunting task for the Review, which struggles to be both a scholarly journal and a popular business magazine.

As a marketing expert, Mr. Levitt took the strategy of introducing shorter articles, executive summaries and cartoons to make the magazine "more accessible and less intimidating," as he put it.

Early this year, the Review attracted a great deal of attention with an article that encouraged women to sacrifice career advancement temporarily for greater job flexibility while raising their children. But Mrs. Kanter, who has done everything but neglect her career while tending to her family, criticized the research of the author of the article, Felice N. Schwartz, for lacking rigor.

"I've always kept up all my responsibilities," Mrs. Kanter said about her personal choices in an interview, taking a few moments out from a board meeting she was attending for the Nichols Institute, a West Coast operator of clinical laboratories.

"I take long weekends after working day and night all week,

or some time off in the summer," she said. "That's been my pattern. But I've never dropped out."

The Review's finance balancing act has been tougher, though the picture is clouded by the business school's unwillingness to disclose the magazine's earnings. Circulation and ad pages hit 10-year lows during Mr. Levitt's tenure, while printing costs rose sharply. But few price increases on subscription, advertising and reprint rates are believed to have kept the magazine profitable.

Given the magazine's uncertain financial prospects, Mrs. Kanter's plan to continue teaching part-time has already stirred criticism. "It's a terrible mistake," said David W. Ewing, a former managing editor of the Review. "Rosabeth will help, but it's going to take a full-time editor for at least several years to get the Review turned around again."

In his four years as the Review's editor, the outspoken Mr. Levitt, 64, alienated enough faculty and Review staff members to kindle rumors denied by school officials that the school's dean wanted to oust him.

Mr. Levitt attributes his people problems to his having let informal ties to colleagues lapse during his stint on the Review. "I'm not close to anybody," he said, philosophical about the problem. But he insists that he was not pushed from his job, an impression shared by many faculty members and by current and former staff members.

Mrs. Kanter is the author of 10 books, including "Men and Women of the Corporation," a 1977 landmark study on how individuals gain power within organizations, and "The Change Masters," a 1983 work that established her as an authority on instilling entrepreneurship in corporations.

Her most recent book, "When Giants Learn to Dance," urged companies to try partnerships and business alliances that take advantage of their relative strengths, and her lead article in the latest Review discusses the challenges managers face as their traditional sources of power erode.

Wall Resigns as Top Thrift Regulator

Compiled by Our Staff From Dispatches

WASHINGTON — M. DANNY WALL, the U.S. thrift regulator, resigned Monday following weeks of political pressure and congressional criticism of his handling of a failed California thrift.

Mr. Wall, director of the Office of Thrift Supervision, has come under fire in recent weeks for his handling of the failed Lincoln Savings & Loan Association of Irvine, California. It is expected to cost taxpayers more than \$2.5 billion to resolve the institution's problems.

Federal thrift examiners had recommended that Lincoln be placed in conservatorship two years ago, but Mr. Wall said there was not enough evidence at the time to pursue a federal takeover.

In addition to Lincoln, Mr. Wall has faced criticism for his initially low estimates to Congress of the cost of the thrift crisis, which is

now expected to cost U.S. taxpayers more than \$160 billion.

In his letter of resignation to President George Bush, Mr. Wall complained about a "steady stream of one-sided information emanating from the House Banking Committee hearings concerning my handling of Lincoln Savings & Loan."

For nearly two months, Mr. Wall has been the chief target of hearings by the House Banking Committee into why federal regulators allowed Lincoln to remain open until April.

As he has done throughout the controversy, Mr. Wall insisted Monday that he had done nothing wrong.

Mr. Wall's departure came amid a flood of calls for his resignation or ouster, among them, from the Senate majority leader George Mitchell, Democrat of Maine; the House banking committee chairman Henry

Gonzalez, Democrat of Texas; and several public interest groups.

"The magnitude of this incompetence is staggering. The cost of the entire savings-and-loan bailout was purposely lowered by Wall. This is grossly misleading," Jim Davidson, chairman of the National Taxpayers Union, said last week in calling for Mr. Wall's resignation.

Five senators are being investigated by the Senate Ethics Committee in connection with Lincoln. There have been accusations that they improperly intervened with regulators after receiving large campaign contributions from Charles H. Keating Jr., chairman of the thrift.

Under the bailout legislation passed in August, Mr. Wall's term extends until July 1, 1991. As part of the legislation, he was named director of the Office of Thrift Supervision. (AP, UPI)

One-Yen Bid
Means Ban
For Fujitsu

International Herald Tribune

Fujitsu Ltd., the Japanese computer manufacturer, found on Monday that its one-yen bid for the Hiroshima contract had rebounded on it, and it was excluded from bidding for all Hiroshima contracts for two years.

Fujitsu had bid a single yen to design computer software for the Hiroshima water supply. The city had expected to pay the equivalent of \$80,000, and granted the contract to Fujitsu on Oct. 25.

But after the government had publicly rebuked Fujitsu, the company withdrew its one-yen bid on Monday. The city council then barred Fujitsu from bidding on city contracts for the next two years.

The government was embarrassed by the revelation that Fujitsu, the world's second-largest computer maker, had submitted bids of one yen to win a number of contracts.

The United States alleges such noncompetitive bidding is one of many ways in which Japanese corporations conspire to keep out foreign competitors.

For the Gulf, Concrete Is Temporary

Reuters

MANAMA, Bahrain — The climate in the Gulf, one of the harshest in the world, is eating away the buildings at the heart of its cities.

Crumbling concrete is not good news for the region's oil-exporting states, already in deficit due to falling oil prices in the 1980s.

Just when most Gulf Arab states thought their basic economic infrastructure was complete, they now face the seemingly never-ending expense of multibillion-dollar maintenance and reconstruction programs.

"Operations and maintenance are going to be a big budget burden of the 1990s," said a Gulf-based bank economist.

The problem arises from a chemical reaction between the hot, humid climate and the sand and steel ingredients used to make concrete. Construction industry experts say governments are worried. "I wonder whether the lessons from

our experiences over the past 15 years are not always being given the consideration they deserve," Bahrain's minister of works, power, and water, Majid Jawad Jishi, said at a conference.

Under the lessons were learned, he said, government and private money would go on being wasted.

The president of Bahrain's Society of Engineers, Hisham Shehaby, told the Bahrain conference that quick solutions to the problems of deteriorating concrete did not look promising.

A British expert, Adam Neville, said reinforced concrete was corroded in the Gulf three to four times faster than in Britain.

Summer temperatures of 38 to 50 degrees centigrade (100 to 122 Fahrenheit), coupled with humidity often well over 90 percent, accelerates the chlorides in sand-based concrete.

These corrosive salts oxidize a building's reinforcing steel rod skeletons and the whole edifice begins to crack and crumble.

The problem is compounded because knowledge of the long-term corrosive effects was not sufficiently advanced when many buildings were constructed during the building boom generated by high oil prices in the 1970s.

For example, a lot of sand for concrete was taken from the Gulf and the sea salts, full of corrosive chlorides, were not properly washed out, the experts said.

Inland, the weather is kinder to man-made structures, but the desert sands, which buried a dozen ancient civilizations, have little respect for 20th century constructions.

Sand plus wind acts as a natural abrasive on buildings, while the desert dunes, creeping inexorably forward at a rate of a few feet a year, must be constantly held back.

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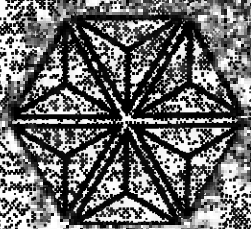
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Kok Sees EMU Talks After '90

THE HAGUE — The new Dutch finance minister, Wim Kok, wrote to parliament on Monday to say it was unlikely that a conference on changes in the Treaty of Europe to create a European Monetary Union would take place before the end of 1990.

He said he supported the French goal of a governmental conference in the second half of 1990, but favored a well-prepared conference about a last-minute one.

Mr. Kok, the former Labor Party leader, became vice prime minister and finance minister on Nov. 7 in

the new center-left coalition government headed by Ruud Lubbers. Mr. Kok said that while progress toward European monetary integration should maintain its momentum, it is necessary that as many member states as possible join the union, in particular Britain.

"An ill-prepared treaty conference could harm the EMU process. A failed conference is no good to anybody," Mr. Kok said.

The Dutch government position on the EMU has not changed since the new cabinet took office.

It wants an independent European federation of central banks that

are independent in their own countries. Secondly, it desires a framework for economic union which would prevent any member state from running a budget deficit at the expense of other member states.

Mr. Kok also stressed the need for parallel progress in both monetary and economic integration, in particular for the transfer of national decision-making to European authorities.

Finally, he said there should be an agreement on the legal framework and the democratic control of the new European institutions, before the conference on treaty changes.

Toyota Sets U.S. Recall For Lexus

DETROIT — Toyota Motor Corp. has confirmed that it is recalling all 8,000 of the Lexus LS 400 cars that it had sold in the United States, to correct three problems.

A Toyota spokesman said no accidents or injuries had been associated with the reported defects in the luxury sedan, which was introduced two months ago in the United States and sells for about \$40,000.

The defects relate to the car's cruise-control mechanism, the brake light in the back window and an alternator cable that connects to the car's battery.

The Toyota spokesman said Saturday that a customer had complained that the cruise-control switch had stuck in the "on" position when it was supposed to have moved to off. The spokesman said the suspect part would be replaced.

He added that in a few instances, the center brake light had overheated its mounting, causing the light to dim.

The company also received a few complaints of dead batteries caused by alternator cables that had disconnected.

A smaller Lexus model, the ES 250, was not affected by the recall.

Germans Study Plastics Plant

FRANKFURT — The chemical companies BASF, AG, Bayer AG and Hoechst AG plan a joint venture in plastics recycling, a BASF spokesman said Monday.

"BASF is determined to do something like this," the spokesman said.

The venture would filter out different plastics from domestic waste and recycle them into usable materials. It would be the companies' first big move into recycling, and the first major cooperation among the three since the breakup of the IG Farben monopoly.

Portugal Investors Scramble For Stock in Insurance Firm

LISBON — Investors scrambled for shares Monday on the Lisbon bourse in the partial privatization of the state insurance firm, Tranquilidade Seguros SA.

The issue of 2.45 million shares in one of Portugal's leading insurers was the fourth 49-percent sell-off in the center-right government's drive to pare the huge state sector.

Stock market sources said the sale earned the state more than 25 billion escudos (\$162 million), with some offers triple the 4,800-escudo base price.

"It surpassed all expectations," said one dealer.

Dealers said those interested in Tranquilidade, the second insurer to be privatized, included the fi-

nance firm Grupo Espirito Santo, which lost its large holding when Tranquilidade was nationalized after the 1974 leftist revolution.

Market sources said the diversified Portuguese concern, Soane Industria e Investimentos SA, hoped to team up with the French insurance group Axa-Midi Assurances to get a big stake of Tranquilidade.

The government's previous 49 percent issues this year — of the brewer Unicer, the commercial bank Banco Totta & Acores and the insurer Alianca Seguradora — were greatly oversubscribed.

At least 10 other financial and industrial firms have been targeted for complete or partial sale over the next two years.

Finally 138 World Leaders Agree on Fighting a Common Enemy.



Unicef has a goal to help immunize every child against a common enemy, one of the top killer diseases of childhood — measles, whooping cough, tetanus, polio, tuberculosis and diphtheria. As recently as 1980, only 15 per cent of children in the developing world were vaccinated. But today Unicef's dream of Universal Immunization is becoming a reality.

In an unprecedented move, the Secretary General of the United Nations recently approached all Member States, inviting them to renew their commitment to Universal Child Immunization. The governments' enthusiastic response was matched by that of 400 non-governmental organizations. With this



operation, and of course Unicef's own expenditure on immunization — some \$80 million last year — thousands of children who would otherwise die will be saved each year. The cost per child? — As low as \$5.00.

Primary health care is only one example of Unicef's commitment to the well-being of children in the developing world. In cooperation with local government partners, Unicef provides not only emergency relief, but material support, primary health care and education programmes which promote long-range community self-help.

That is why Unicef gives children not just a food parcel for the day, but a survival kit for many years.

Children Count on Us. Can We Count on You?

unicef
United Nations Children's Fund

NYSE Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Stock	Low	High	Open	Close
IBM	124 1/4	125 1/4	124 3/4	125 1/4
AT&T	48 1/4	49 1/4	48 3/4	49 1/4
GE	34 1/4	35 1/4	34 3/4	35 1/4
Westinghouse	24 1/4	25 1/4	24 3/4	25 1/4
General Electric	34 1/4	35 1/4	34 3/4	35 1/4
IBM	124 1/4	125 1/4	124 3/4	125 1/4
AT&T	48 1/4	49 1/4	48 3/4	49 1/4
GE	34 1/4	35 1/4	34 3/4	35 1/4
Westinghouse	24 1/4	25 1/4	24 3/4	25 1/4
General Electric	34 1/4	35 1/4	34 3/4	35 1/4

Stock	Low	High	Open	Close
IBM	124 1/4	125 1/4	124 3/4	125 1/4
AT&T	48 1/4	49 1/4	48 3/4	49 1/4
GE	34 1/4	35 1/4	34 3/4	35 1/4
Westinghouse	24 1/4	25 1/4	24 3/4	25 1/4
General Electric	34 1/4	35 1/4	34 3/4	35 1/4
IBM	124 1/4	125 1/4	124 3/4	125 1/4
AT&T	48 1/4	49 1/4	48 3/4	49 1/4
GE	34 1/4	35 1/4	34 3/4	35 1/4
Westinghouse	24 1/4	25 1/4	24 3/4	25 1/4
General Electric	34 1/4	35 1/4	34 3/4	35 1/4

Stock	Low	High	Open	Close
IBM	124 1/4	125 1/4	124 3/4	125 1/4
AT&T	48 1/4	49 1/4	48 3/4	49 1/4
GE	34 1/4	35 1/4	34 3/4	35 1/4
Westinghouse	24 1/4	25 1/4	24 3/4	25 1/4
General Electric	34 1/4	35 1/4	34 3/4	35 1/4
IBM	124 1/4	125 1/4	124 3/4	125 1/4
AT&T	48 1/4	49 1/4	48 3/4	49 1/4
GE	34 1/4	35 1/4	34 3/4	35 1/4
Westinghouse	24 1/4	25 1/4	24 3/4	25 1/4
General Electric	34 1/4	35 1/4	34 3/4	35 1/4

INTERNATIONAL FUNDS

December 4, 1989

Quotations supplied by funds data. Not subject to audit. The copyright of some prices listed is the property of the publisher.

The market values include the frequency of updates: (d) — daily; (w) — weekly; (m) — monthly; (q) — quarterly; (y) — yearly; (n) — not available.

Fund	Low	High	Open	Close
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4

Fund	Low	High	Open	Close
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4

Fund	Low	High	Open	Close
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4

Fund	Low	High	Open	Close
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4

Fund	Low	High	Open	Close
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4

Fund	Low	High	Open	Close
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4
ABN-AMRO	124 1/4	125 1/4	124 3/4	125 1/4

NASDAQ

Monday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 High Low Stock Div Yld PE High Low APA OTC

12	High	Low	Stock	Div	Yld	PE	High	Low	APA	OTC
1	100	98	IBM	3.00	2.8	12	100	98	100	100
2	100	98	IBM	3.00	2.8	12	100	98	100	100
3	100	98	IBM	3.00	2.8	12	100	98	100	100
4	100	98	IBM	3.00	2.8	12	100	98	100	100
5	100	98	IBM	3.00	2.8	12	100	98	100	100
6	100	98	IBM	3.00	2.8	12	100	98	100	100
7	100	98	IBM	3.00	2.8	12	100	98	100	100
8	100	98	IBM	3.00	2.8	12	100	98	100	100
9	100	98	IBM	3.00	2.8	12	100	98	100	100
10	100	98	IBM	3.00	2.8	12	100	98	100	100

11	High	Low	Stock	Div	Yld	PE	High	Low	APA	OTC
11	100	98	IBM	3.00	2.8	12	100	98	100	100
12	100	98	IBM	3.00	2.8	12	100	98	100	100
13	100	98	IBM	3.00	2.8	12	100	98	100	100
14	100	98	IBM	3.00	2.8	12	100	98	100	100
15	100	98	IBM	3.00	2.8	12	100	98	100	100
16	100	98	IBM	3.00	2.8	12	100	98	100	100
17	100	98	IBM	3.00	2.8	12	100	98	100	100
18	100	98	IBM	3.00	2.8	12	100	98	100	100
19	100	98	IBM	3.00	2.8	12	100	98	100	100
20	100	98	IBM	3.00	2.8	12	100	98	100	100

21	High	Low	Stock	Div	Yld	PE	High	Low	APA	OTC
21	100	98	IBM	3.00	2.8	12	100	98	100	100
22	100	98	IBM	3.00	2.8	12	100	98	100	100
23	100	98	IBM	3.00	2.8	12	100	98	100	100
24	100	98	IBM	3.00	2.8	12	100	98	100	100
25	100	98	IBM	3.00	2.8	12	100	98	100	100
26	100	98	IBM	3.00	2.8	12	100	98	100	100
27	100	98	IBM	3.00	2.8	12	100	98	100	100
28	100	98	IBM	3.00	2.8	12	100	98	100	100
29	100	98	IBM	3.00	2.8	12	100	98	100	100
30	100	98	IBM	3.00	2.8	12	100	98	100	100

31	High	Low	Stock	Div	Yld	PE	High	Low	APA	OTC
31	100	98	IBM	3.00	2.8	12	100	98	100	100
32	100	98	IBM	3.00	2.8	12	100	98	100	100
33	100	98	IBM	3.00	2.8	12	100	98	100	100
34	100	98	IBM	3.00	2.8	12	100	98	100	100
35	100	98	IBM	3.00	2.8	12	100	98	100	100
36	100	98	IBM	3.00	2.8	12	100	98	100	100
37	100	98	IBM	3.00	2.8	12	100	98	100	100
38	100	98	IBM	3.00	2.8	12	100	98	100	100
39	100	98	IBM	3.00	2.8	12	100	98	100	100
40	100	98	IBM	3.00	2.8	12	100	98	100	100

41	High	Low	Stock	Div	Yld	PE	High	Low	APA	OTC
41	100	98	IBM	3.00	2.8	12	100	98	100	100
42	100	98	IBM	3.00	2.8	12	100	98	100	100
43	100	98	IBM	3.00	2.8	12	100	98	100	100
44	100	98	IBM	3.00	2.8	12	100	98	100	100
45	100	98	IBM	3.00	2.8	12	100	98	100	100
46	100	98	IBM	3.00	2.8	12	100	98	100	100
47	100	98	IBM	3.00	2.8	12	100	98	100	100
48	100	98	IBM	3.00	2.8	12	100	98	100	100
49	100	98	IBM	3.00	2.8	12	100	98	100	100
50	100	98	IBM	3.00	2.8	12	100	98	100	100

51	High	Low	Stock	Div	Yld	PE	High	Low	APA	OTC
51	100	98	IBM	3.00	2.8	12	100	98	100	100
52	100	98	IBM	3.00	2.8	12	100	98	100	100
53	100	98	IBM	3.00	2.8	12	100	98	100	100
54	100	98	IBM	3.00	2.8	12	100	98	100	100
55	100	98	IBM	3.00	2.8	12	100	98	100	100
56	100	98	IBM	3.00	2.8	12	100	98	100	100
57	100	98	IBM	3.00	2.8	12	100	98	100	100
58	100	98	IBM	3.00	2.8	12	100	98	100	100
59	100	98	IBM	3.00	2.8	12	100	98	100	100
60	100	98	IBM	3.00	2.8	12	100	98	100	100

61	High	Low	Stock	Div	Yld	PE	High	Low	APA	OTC
61	100	98	IBM	3.00	2.8	12	100	98	100	100
62	100	98	IBM	3.00	2.8	12	100	98	100	100
63	100	98	IBM	3.00	2.8	12	100	98	100	100
64	100	98	IBM	3.00	2.8	12	100	98	100	100
65	100	98	IBM	3.00	2.8	12	100	98	100	100
66	100	98	IBM	3.00	2.8	12	100	98	100	100
67	100	98	IBM	3.00	2.8	12	100	98	100	100
68	100	98	IBM	3.00	2.8	12	100	98	100	100
69	100	98	IBM	3.00	2.8	12	100	98	100	100
70	100	98	IBM	3.00	2.8	12	100	98	100	100

71	High	Low	Stock	Div	Yld	PE	High	Low	APA	OTC
71	100	98	IBM	3.00	2.8	12	100	98	100	100
72	100	98	IBM	3.00	2.8	12	100	98	100	100
73	100	98	IBM	3.00	2.8	12	100	98	100	100
74	100	98	IBM	3.00	2.8	12	100	98	100	100
75	100	98	IBM	3.00	2.8	12	100	98	100	100
76	100	98	IBM	3.00	2.8	12	100	98	100	100
77	100	98	IBM	3.00	2.8	12	100	98	100	100
78	100	98	IBM	3.00	2.8	12	100	98	100	100
79	100	98	IBM	3.00	2.8	12	100	98	100	100
80	100	98	IBM	3.00	2.8	12	100	98	100	100

81	High	Low	Stock	Div	Yld	PE	High	Low	APA	OTC
81	100	98	IBM	3.00	2.8	12	100	98	100	100
82	100	98	IBM	3.00	2.8	12	100	98	100	100
83	100	98	IBM	3.00	2.8	12	100	98	100	100
84	100	98	IBM	3.00	2.8	12	100	98	100	100
85	100	98	IBM	3.00	2.8	12	100	98	100	100
86	100	98	IBM	3.00	2.8	12	100	98	100	100
87	100	98	IBM	3.00	2.8	12	100	98	100	100
88	100	98	IBM	3.00	2.8	12	100	98	100	100
89	100	98	IBM	3.00	2.8	12	100	98	100	100
90	100	98	IBM	3.00	2.8	12	100	98	100	100

91	High	Low	Stock	Div	Yld	PE	High	Low	APA	OTC
91	100	98	IBM	3.00	2.8	12	100	98	100	100
92	100	98	IBM	3.00	2.8	12	100	98	100	100
93	100	98	IBM	3.00	2.8	12	100	98	100	100
94	100	98	IBM	3.00	2.8	12	100	98	100	100
95	100	98	IBM	3.00	2.8	12	100	98	100	100
96	100	98	IBM	3.00	2.8	12	100	98	100	100
97	100	98	IBM	3.00	2.8	12	100	98	100	100
98	100	98	IBM	3.00	2.8	12	100	98	100	100
99	100	98	IBM	3.00	2.8	12	100	98	100	100
100	100	98	IBM	3.00	2.8	12	100	98	100	100

101	High	Low	Stock	Div	Yld	PE	High	Low	APA	OTC
101	100	98	IBM	3.00	2.8	12	100	98	100	100
102	100	98	IBM	3.00	2.8	12	100	98	100	100
103	100	98	IBM	3.00	2.8	12	100	98	100	100
104	100	98	IBM	3.00	2.8	12	100	98	100	100
105	100	98	IBM	3.00	2.8	12	100	98	100	100
106	100	98	IBM	3.00	2.8	12	100	98	100	100
107	100	98	IBM	3.00	2.8	12	100	98	100	100
108	100	98	IBM	3.00	2.8	12	100	98	100	100
109	100	98	IBM	3.00	2.8	12	100	98	100	100
110	100	98	IBM	3.00	2.8	12	100	98	100	100

111	High	Low	Stock	Div	Yld	PE	High	Low	APA	OTC
111	100	98	IBM	3.00	2.8	12	100	98	100	100
112	100	98	IBM	3.00	2.8	12	100	98	100	100
113	100	98	IBM	3.00	2.8	12	100	98	100	100
114	100	98	IBM	3.00	2.8	12	100	98	100	100
115	100	98	IBM	3.00	2.8	12	100	98	100	100
116	100	98	IBM	3.00	2.8	12	100	98	100	100
117	100	98	IBM	3.00	2.8	12	100	98	100	100
118	100	98	IBM	3.00	2.8	12	100	98	100	100
119	100	98	IBM	3.00	2.8	12	100	98	100	100
120	100	98	IBM	3.00	2.8	12	100	98	100	100

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Arms Groups Face Challenge

Reuters
LONDON — After 40 years of helping Western governments prepare for a war that never came, East European defense companies are facing a greater challenge — peace.

Many companies contacted said they expected a spending slowdown because of sweeping changes in Eastern Europe, but added that they were more concerned by cost overruns and delays.

Joint ventures, diversity of markets and outbacks in defense activities are traditional moves for companies in an industry peculiarly subject to political tides.

Few companies are completely dependent on defense spending. Among those contacted, a defense-related sales range of 40 percent to 60 percent was average.

France's jet-fighter maker, Avions Marcel Dassault-Breguet Aviation, is one of the purest defense groups, with 80 percent of its 1988 sales, of 17.66 billion francs (\$2.9 billion), in the defense sector.

The company said it was seeking alliances.

At the other extreme, the Dutch electronics giant, Philips NV, has only limited defense interests after selling several companies.

A West German tank manufacturer, Krauss-Maffei AG, expects sales in 1989 of about 1.3 billion Deutsche marks (\$730 million), from an average 1.8 billion DM in the mid-1980s. Only half of the 1989 sales will be military, from three-quarters in the mid-1980s.

A spokesman for British Aerospace PLC said, "We have for some time been predicting a slowdown in growth of military spending in the European theater." BAe has 37 percent of its \$4 billion (\$6.25 billion) revenue in military sales.

Big joint projects are increasingly common, but bring their own political and organizational difficulties. Europe's largest weapons program is the European fighter aircraft, a \$47 billion venture involving Britain, Italy, West Germany and Spain, to provide a replacement for combat aircraft by 1996. It faces uncertainty because West Germany may withdraw under public opposition to the need for, and cost of, the aircraft.

Prices of Food Show Higher Soviet Inflation

Reuters
MOSCOW — Food prices in the Soviet Union rose by an average of more than 3 percent in the first half of the year, official data revealed Monday. The figures suggested the rate of inflation could be higher than officially admitted.

The Communist Party newspaper Pravda said that food prices in cities rose by 3 percent, while those in the countryside rose by 4 percent for the six months ended June 30.

In the Russian Federation, the largest of the 15 constituent republics, food prices rose by 6 percent and nonfood prices climbed by 11 percent.

In October, a State Statistics Committee official said the inflation rate for the first nine months of the year was 2.6 percent. Radical economists put it at 6 percent.

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Pechiney Is Planning European Takeovers

Reuters
PARIS — Pechiney SA, the state-owned metals company, is aiming to boost its European packaging business through unspecified acquisitions and internal growth, Jean Gandois, chairman of the company, said Monday.

"Our first priority is to develop in Europe," he said. This would include buying existing companies and improving the company's productivity.

He did not provide details about planned acquisitions.

Last year, Pechiney bought American National Can Co. for \$1.25 billion, giving it a leading role in the U.S. market. American National accounts for 42 percent of Pechiney's group packaging sales.

The U.S. purchase gave Pechiney access to sophisticated packaging technology that the French company intends to introduce to Europe, Mr. Gandois said.

This would raise its internal capacity and market share potential in Europe, leading it to buy companies for their existing share of the packaging market.

In September, Pechiney bought Cellograph, a small Spanish packaging company with annual sales of about 300 million francs (\$49.3 million), for an unspecified sum.

The American National purchase weighed on Pechiney's debt, bringing it to 1.45 times equity. But the flotation in April of 25 percent of Pechiney International, a newly formed subsidiary for the company's foreign activities, has helped cut this ratio, Mr. Gandois said.

He said once the 2.8 billion franc sale of Pechiney's Paris headquarters has gone through, the group would have total debt of about 1.25 times equity, the same as immediately before the American National deal.

CZECH: Set for Economic Change

(Continued from first finance page)
cent lower. When the Austro-Hungarian Empire was dismantled after World War I, Czechoslovakia inherited two-thirds of its industrial stock.

Nonetheless, the Czechoslovaks will have some difficulty regaining that prosperity.

"Their industrial infrastructure is 40 to 50 years old," a Western economic attaché said.

"It was quite good after the war, but now it will take billions of dollars to get it into shape. Right now, they can't produce goods of high enough quality to sell in the West."

To inject market forces, Czechoslovakia plans to end price controls and subsidies to industry.

Czechoslovak economists are convinced that this shift will not push the nation into chaos and hyperinflation, because it has a strong industrial base and hard-working labor force.

One of the most difficult challenges facing the government is to make the economy less polluting and less energy intensive.

On Saturday, the air in Prague was so filthy, partly because of an atmospheric inversion, that the government warned parents not to let their children play outdoors.

Czechoslovak industry belches out 25 tons of pollutants per square kilometer (0.38 of a square mile) each year — almost 50 times the amount in Sweden.

The nation consumes energy per capita three times that of many West European nations.

Its orientation toward heavy, energy-intensive industries is a legacy

of the Stalinist era, when sprawling smokestacks, no matter how inefficient, were a macho symbol of industrial prowess.

"We haven't prepared ourselves for the information age," said Milan Zeman, an economist.

He and other economists call for reorienting the nation, which has a strong tradition of education, toward services, computers and sophisticated machinery.

One reason for Czechoslovakia's problems is the reaction it had to the 1979 oil crisis. Central planners focused on building expensive coal mines and nuclear reactors, instead of modernizing industry to be more energy efficient.

An impending trade crisis could hasten the shift from heavy industry.

The Soviet Union, by far Czechoslovakia's largest machinery customer, is planning to slash machinery orders by up to 30 percent, partly because its economy is ailing.

This drop in orders would be a shock to the Czechoslovak machinery industry, which employs, directly or indirectly, 1.2 million of the 15.7 million Czechoslovaks.

Most economists outside the government agree that centralized economic planning has to be ended, or at least drastically reduced, to give enterprises more autonomy and to encourage market forces.

But Czechoslovakia, and other socialist countries, are encountering a big snag: in many industries there is just one state enterprise, and once the state gives it autonomy, it is in a monopoly position.

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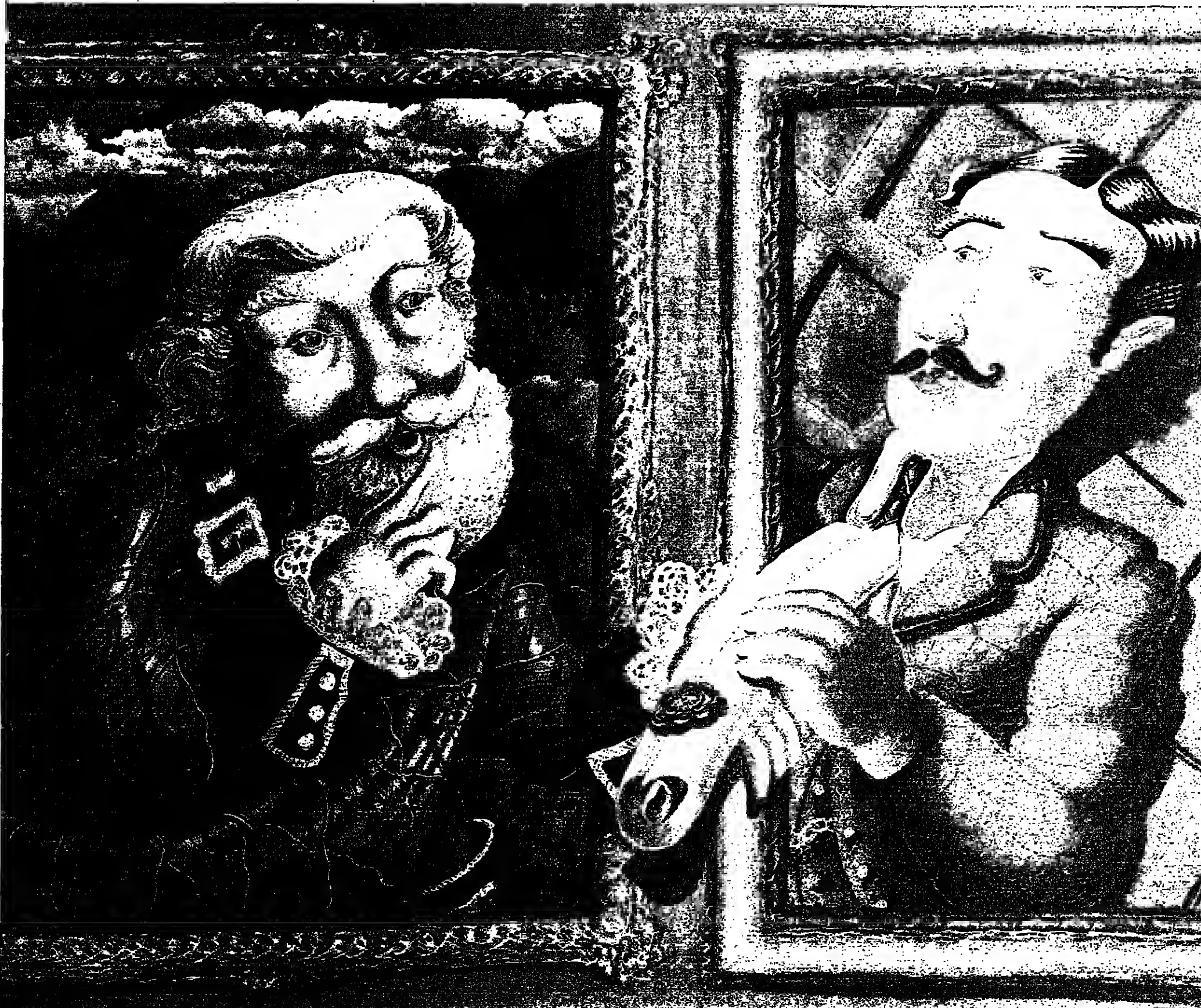
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MADE IN SCOTLAND
THE FINEST INGREDIENTS

NMB Questions Role of Parts

Merged Dutch Bank Still Studying Degree of Integration

Reuters
AMSTERDAM — NMB Postbank Groep NV of the Netherlands is still studying the scope of the merger by which it was created and hopes to decide the extent of integration early in 1990, while considering which divisions to make independent, bank sources said Monday.

"At first, we wanted to integrate as much as possible," said a senior executive of the banking concern. "We are now studying our options again and looking into ways of transforming some units into independent subsidiaries."

The Dutch government has a 49 percent stake in the bank, which was formed in October by the merger of Nederlandsche Middenstandsbank NV and the state-owned Postbank NV.

The government plans to float about 30 percent of the bank on Wednesday, and analysts said the issue price would probably be set at a discount of between 50 Dutch cents (25 U.S. cents) and one guilder to Tuesday's bourse closing price.

NMB Postbank shares closed at 47.90 guilders on Monday, up from 47.80 on Friday.

NMB and Postbank announced their merger plans in February and said they would set up a holding company, with both banks as full subsidiaries, as a first step toward a full merger within two years.

When the holding company was formed in November, however, the definitive merger plans had changed.

"We are trying to get the decision-making level as low down in the organization as possible," said the bank executive. "The question arose why not make a number of divisions separate units with their own profit-and-loss accounts. The advantages are that a separate company can be flexible and market-oriented."

The executive said the option of as little integration as possible would only involve a small number of people working for the holding company, while fuller integration would involve 2,300 of the total staff of 23,750.

In November, the NMB Postbank Groep president, Wim Scherpenhuijsen Rom, said the two boards would be combined with some top legal, financial and managerial staff working for the holding as a whole. "There will be no full integration," he said.

Mr. Rom said the company had decided to keep both the NMB and Postbank networks intact.

NMB operates as a general bank, with a branch network, and offers personal advice to its private and business clients. Postbank, on the other hand, has no branch network. It offers so-called armchair banking and serves its private clients through about 2,600 post offices; it also has 14 district offices for its corporate clients.

NMB Postbank Groep also has a network of independent financial agents working for the NMB savings bank. It plans to turn its small general-banking unit, Crediet en Effectenbank NV, into a full in-

vestment bank aimed at wealthier clients.

The bank's MBO NV unit, with interests in long-term commercial real estate financing, is among the largest developers of offices and shopping centers in the Netherlands. NMB Postbank also has leasing units.

"In the end," said the official, "we might just go back to square one and integrate to a very large extent. We just don't know yet."

He added that the board was studying the options and had sought expert advice.

A decision was expected before the end of the year, but 1 now expect a decision in January," he said.

NMB Postbank is the fourth-largest bank in the Netherlands, with a balance-sheet total of about 165 billion guilders. It reported a profit in the first half of 1989 of 312 million guilders.

The sale of a 30 percent stake by the government, or 28 million shares, would raise total revenue of about 1.3 billion guilders.

Willem Burgers, an analyst at the Van Meer James Capel brokerage in Amsterdam, said the government needed to allow only a small discount to the bourse price, as there would be sufficient demand for the shares at current market prices.

The government has not committed itself to offering a specific number of shares, saying last month that the quantity depended on the price. It did agree not to sell any additional shares until 1991.

Saab Puts

Emphasis on Fiat Talks

Reuters
STOCKHOLM — Saab-Scania AB, the Swedish carmaker, declined to comment Monday on a report that it had rejected an informal takeover bid from Volvo AB. But it reiterated that it was still talking to Fiat SpA about a deal.

A spokesman for Saab, Lars Jagerfelt, said, "We are negotiating with Fiat. Nothing else is happening just now."

On Friday, the chairman of Volvo, Pehr Gyllenhammar, said he had made an informal offer earlier this year to take over all of Saab and had been turned down.

But Volvo made clear Monday that it was not ruling out the possibility of a merger with Saab.

Mr. Gyllenhammar said that even if there were many problems associated with such a merger, it was still "reasonable to try to strengthen the domestic base."

"In that way," he added, "one would be stronger when negotiating with potential foreign partners." A spokesman for Volvo, Hans Rehnstrom, said the last part of Mr. Gyllenhammar's statement held the key, but did not elaborate.

Saab reported a 1.2 billion kroner (\$188 million) loss for its car division in the first eight months.

Anders Bratenius, analyst at Barclays de Zoete Wedd in London, said that the price of Saab would depend on the purchaser.

"The price could go up to 10 billion kroner if you get synergies," he said. "If there are no synergies, the car division is losing money and is worth zero."

VW Looks to the East
Volkswagen AG said Monday that it had proposed forming a joint venture with a state-owned East German vehicles producer, Reuters reported from Wolfsburg, West Germany.

The West German carmaker said its chairman, Carl Hahn, presented the proposal to the IFA industrial group, based in Karl-Marx-Stadt.

The venture should prepare the way for the joint development, production and sales of cars and vans.

In another development, Volkswagen said it won an order to supply 50,000 vehicles to the rental car agency Avis Europe PLC.

3 Major Danish Banks

Outline Merger Plan

Reuters
COPENHAGEN — Three major Danish banks said Monday that they have agreed to merge on Jan. 1 to form the second-largest bank in the country, confirming news reports a day earlier.

Privatbanken A/S, SDS Holding A/S and Andelsbanken A/S said in a statement that the merger would create a financial institution with a combined balance sheet of about 300 billion kroner (\$43 billion) and capital of 19 billion kroner.

The statement said the new bank's strength in the retail and business sectors and its international orientation would make it one of Denmark's most competitive financial institutions.

Banking analysts have for some time said Privatbanken's corporate banking strength would make a good match with the large retail network of SDS Holding, Denmark's largest savings bank, which converted earlier this year to a holding-company structure and floated its shares on the bourse.

Andelsbanken, the smallest of the three, has strong links with Denmark's cooperative societies.

The bank will replace Privatbanken within Scandinavian Banking Partners, joining Den norske Creditbank A/S of Norway, Skandinaviska Enskilda Banken of Sweden and Union Bank of Finland Ltd.

The announcement said the first step in the merger would be the creation of holding companies for Privatbanken and Andelsbanken, and of wholly owned subsidiaries to operate their banking business, giving them the same structure as SDS.

The three holding companies would then merge in UDB Holding A/S, while the three banking subsidiaries would merge as UNI Bank Danmark A/S.

Privatbanken, with a balance sheet of 110 billion kroner at the end of last year, and SDS Holding's predecessor, Sparekassen SDS A/S, with 102 billion kroner, were Denmark's third- and fourth-largest banks. Andelsbanken had a 57 billion kroner balance sheet.

Investor's Europe			
Frankfurt	London	Paris	
Commerzbank	F.T. 100 Index	C.A.C. 40	
Exchange	Index	Mon. Close	Prev. Close
Amsterdam	CBS General	187.60	185.50
Brussels	Stock Index	6560.18	6551.69
Frankfurt	Commerzbank	2034.90	1996.60
Frankfurt	DAX	1634.31	1512.44
Helsinki	UNITAS	626.66	616.40
London	Financial Times 30	1819.20	1833.80
London	FT-SE 100	2308.40	2311.10
Madrid	General Index	305.00	303.77
Milan	MIB	1129	1128
Paris	CAC 40	1943.89	1919.70
Stockholm	Affarsvaeriden	1077.60	1081.60
Zurich	SBS	667.80	667.90

Source: Datastream, AFP

International Herald Tribune

Bae and Asda Set Property Venture

BTR Plans A Float for U.S. Holding

Compiled by Our Staff From Dispatches
LONDON — British Aerospace PLC and the supermarket chain Asda Group announced Monday that they intend to set up a joint property venture worth £450 million (\$704 million).

Asda said it would put into the venture 34 of its superstores, or 20 percent of its retail space, valued at £75 million, and another unspecified retail site.

British Aerospace's Arlington subsidiary plans to put in nine retail development sites, worth £75 million.

The venture will be 50 percent-owned by Asda's property development subsidiary, Gazeley Holdings Ltd., and 50 percent by Arlington, and will lease the 34 superstores back to Asda on commercial terms.

The sale of the Asda properties to the joint venture is expected to raise £275 million, or £173 million over book value, which will go toward repaying Asda's debt of £1.08 billion.

In all, the £450 million acquisition by the joint venture is to be financed by £250 million of senior debt, £50 million of loan stock and £150 million of equity.

Sumitomo Bank Ltd. has agreed to finance the deal. The loan stock will be subscribed equally by Asda and British Aerospace, and the equity equally by Gazeley and Arlington. (AFP, Reuters)

British Aerospace shares fell 16 pence, to close at 510, on the London Stock Exchange.

Bae Stock Falls Sharply
British Aerospace shares tumbled Monday after weekend reports that the European Community may force the company to repay millions of pounds in government aid it allegedly received when it bought the state-owned Rover Group. Reuters reported from London.

Westland's Pretax Profit Climbed 19% for the Year

Reuters
LONDON — Westland PLC, the helicopter maker, said Monday that pretax profit for the year ended Sept. 29 rose 19 percent to £20.7 million (\$32.4 million), compared with £17.4 million a year earlier.

Sales for the year rose 21 percent to £431.9 million, after £358.1 million. The company also reported that operating profit increased to £30.3 million, compared with £38.4 million in 1987-88.

The results were in line with market expectations.

Westland said that it would seek to reduce its dependence on military contracts and to broaden its base by developing its civil aircraft business in the coming year. The concern already works with Boeing Co., McDonnell Douglas Corp., British Aerospace PLC, Saab-Scania AB, Dornier GmbH and Airbus Industrie.

At the same time, the company said it would attempt to control costs in the face of an increasingly competitive international aerospace market. It added that it planned to make a civilian version of its EH101 military helicopter.

Orders in the defense markets have been slow, though Westland said it expected two countries to buy its Lynx helicopters. The Black Hawk helicopter is being marketed vigorously in the Middle East, and development of the EH101 is progressing well, it said.

BTR Plans A Float for U.S. Holding

Reuters
LONDON — The conglomerate BTR PLC is considering a public floatation for BTR Dunlop Inc., its U.S. holding company, the BTR PLC chief executive, John Cahill, said Monday.

"It's our intention to take BTR Inc. public," he said, but the company is "not at the point yet where we have defined which pieces we would put in."

Choosing which of BTR's U.S. units to include in the float would affect the earnings multiple it could command, Mr. Cahill said in a telephone interview.

In the United States, shares of conglomerates trade at about 12 times earnings, which is less than BTR would want for its U.S. businesses, he said.

"The particular businesses we have in the U.S. should command a higher multiple than the whole smorgasbord that is BTR," he said. BTR currently trades at 15 times 1988 earnings.

On the London Stock Exchange on Monday, BTR's shares were trading 14 pence (22 cents) higher, at 457 pence.

Mr. Cahill said a £1.5 billion figure for the annual sales of the U.S. units, cited in an article in the Sunday Times of London, was about right.

BTR's operations worldwide encompass industrial, transport, construction, energy and electrical and consumer-related companies.

"The combination of companies you put into this vehicle can enhance its value," Mr. Cahill said. "Until that is decided, he said, he could not estimate how much the float would seek to raise."

Timing the float in relation to how the U.S. stock market was faring was also critical, he said. He doubted BTR would have any further news on the float before it announced 1989 results, in March 1990.

LATIN AMERICA

NEW APPROACHES TO THE 1990'S — HOW NEW ADMINISTRATIONS WILL MEET THE CHALLENGES

LONDON, FEBRUARY 22 - 23, 1990.

Latin America is gearing up to meet the challenges of the 1990's. The new, democratic administrations are modernizing their economies and opening them to the outside world. International partners are examining new ways to help Latin America and the Caribbean emerge from the debt crisis into patterns of new and sustainable growth.

Want to know more? Then note February 22 - 23, 1990 in your diary now as the dates for the third International Herald Tribune/Inter-American Development Bank conference on Latin America. For further information, contact Jane Blackmore, Conference Office, International Herald Tribune, 63 Long Acre, London WC2E 9JH, Tel.: (44-1) 836 4802. Fax: (44-1) 836 0717.

Klöckner Expects Big Profit Rise

Reuters
DUISBURG, West Germany — Klöckner-Werke AG, the steel engineering group, said Monday that operating profit for 1988-89 would be more than double its 1987-88 level of 131 million Deutsche marks (\$735 million at current rates).

The announcement was made by the management board chairman, Herbert Gienow, in a company newsletter. The concern's 1988-89 financial year ended Sept. 30.

Mr. Gienow also repeated earlier statements that the concern would pay a dividend for the 1989-90 year, its first payout since 1972-73. He did not specify the expected amount of the dividend, however.

He said that sales in 1988-89 rose by almost 18 percent, to 7.2 billion DM, and that there were no signs the business boom was faltering.

The opening up of borders in Eastern Europe offered new business opportunities, he added, and Klöckner-Werke was confident about prospects for steel, machine building and plastics.

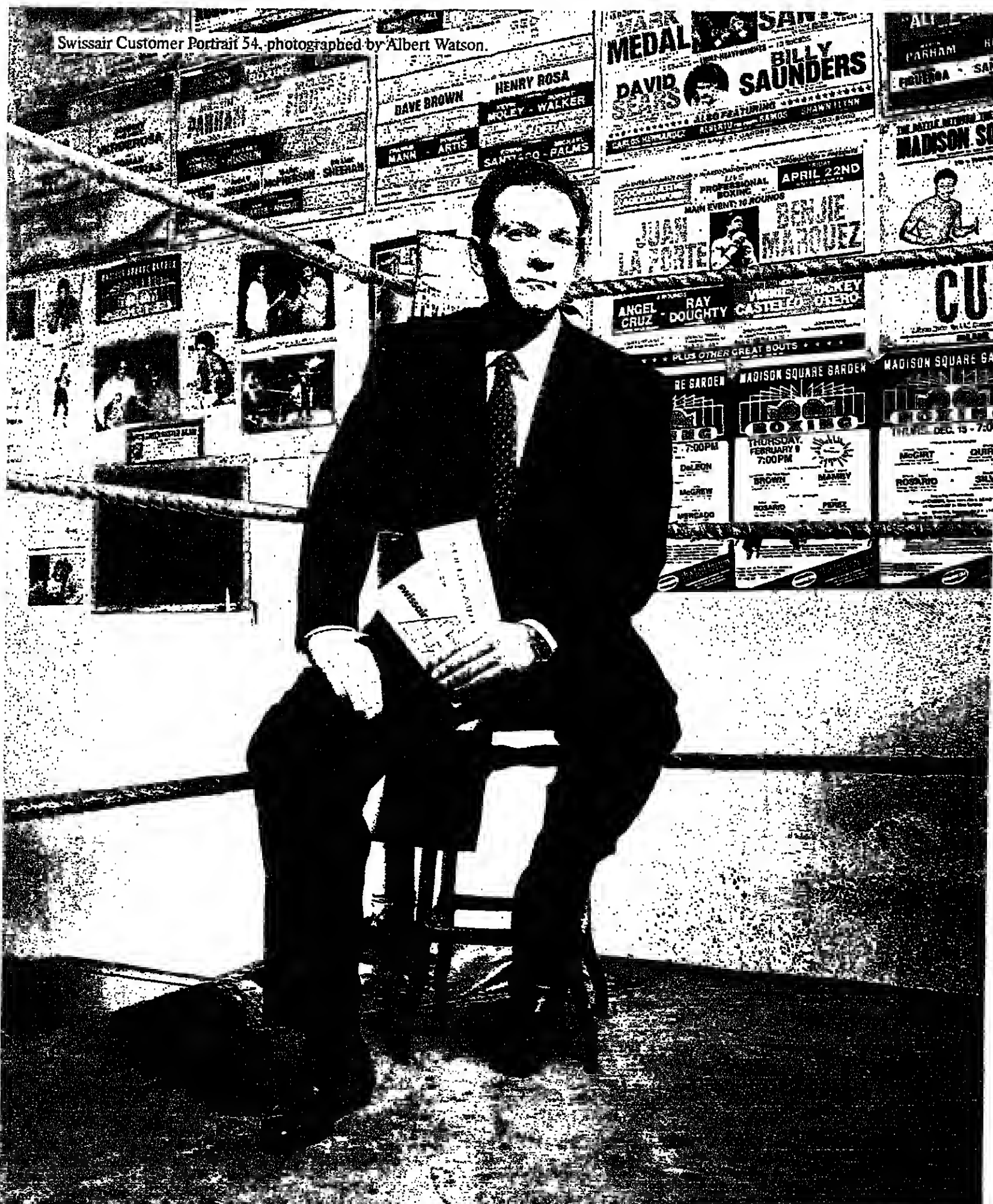
Plastics products showed the biggest increase in 1988-89, rising 36 percent, to 716 million DM. Machine building rose 11 percent, to 2.7 billion DM.

Crude steel output rose 5.2 percent to 3.7 million metric tons. Steel accounts for about 50 percent of group sales.

Maxwell Sets New Date For Birth of European

The Associated Press
LONDON — The British publisher, Robert Maxwell, said Monday his new newspaper, the European, will begin publishing on May 11, 1990, one year later than originally planned.

The newspaper, first planned as a daily, will be published weekly on Fridays. It will be printed in Britain, West Germany, Hungary and other countries, Mr. Maxwell said.



Steve Lott, boxing manager, New York. Business often takes him to Switzerland, but even more often all over America, for the boxing world's megamatches. Now that Swissair and Delta Air Lines have coordinated their flight schedules, he's assured of ideal connections to 160 U.S. cities, and never misses a bout. When he's going places, Steve Lott knows how to pick the champions.

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Thai Bourse Gets Tighter Trade Rules

BANGKOK — Thai stocks rallied strongly Monday after Finance Minister Pramual Sabhavasit said that a plan to impose a capital gains tax would be shelved.

Prices rose across the board, and the official SET Index advanced more than 7 points during the first hour of trading. It closed 9.16 points higher, at 778.3.

Mr. Pramual shelved the capital gains tax plan in favor of tightened rules on settling share transactions in an effort to discourage excessive speculation in the market.

He said over the weekend that the government would enforce a package of short- and long-term measures aimed at stopping price manipulators from creating what he called an artificial demand.

Mr. Pramual said speculation and artificial demand pushed the SET index up 88 points, or 12.5 percent, in a 10-day period to Nov. 21.

The Securities Exchange of Thailand was instructed to check the records of brokers closely to ensure they do not engage in short-selling.

Dealers also were told to strictly follow the bourse's three-day transaction settlement rules.

Mr. Pramual said every buy or sell order must be executed with proof of payment, to prevent a practice by some brokers of simply offsetting it on the books.

Fund to Invest in Malaysia

SINGAPORE — London-based Hoare Govett Corporate Finance Ltd. said Monday it is launching a \$75 million fund to invest in Malaysian companies listed on the Kuala Lumpur Stock Exchange.

It is to be called the Malaysian Emerging Companies Fund and will be managed by John Govett Management (Jersey) Ltd.

The fund will seek to achieve long-term capital appreciation through investments in securities of Malaysian companies with a market capitalization of less than 500 million ringgit (\$111 million), but with growth prospects.

In October, Hoare Govett launched the \$30 million SES-DAO Fund Ltd. for investment in stocks listed on Singapore's Dealing and Automated Quotation System.

Many Foreign Investors Wary of China Projects

Bold Plan for Hainan Stifled By Renewed Central Control

By Nicholas D. Kristof
New York Times Service

HAIKOU, China — Perhaps the boldest single project envisaged during the last decade of China's economic restructuring was a plan to copy the success of Hong Kong, 300 miles (480 kilometers) to the northeast, here on southern China's Hainan Island.

The Yanguo Port project, as it is known, came to symbolize the vaulting aspirations of Hainan, where a chunk of land was to be leased to a foreign company for transformation into a duty-free port and a modern city of several hundred thousand people.

The project was the centerpiece of a broad program to promote a market economy on Hainan.

But Hainan's progress has been stalled, along with the Yanguo project. There are several reasons for the slowdown, but they seem to add up to the clearest example yet of how Beijing's crackdown in June has spilled over into, and put a damper on, some areas of the economy.

Foreign investment was supposed to make the difference here, but it depended on the central government's willingness to allow Hainan unprecedented autonomy.

Since June, many foreigners say, Hainan's autonomy may be evaporating in the trend toward recentralization of authority.

The Yanguo project has not yet been approved by Beijing and some officials say that Premier Li Peng has rejected the idea that it become a free port.

Worst of all for Hainan, three of the most widely known supporters of the province's bold plans — the Communist Party general secretary, Zhao Ziyang; his son, Zhao Ejun, a businessman, and Hainan's governor, Liang Xiang — have fallen from power in the last six months.

The island still has an industrial growth rate of more than 10 percent, while most of the mainland is suffering a drop in industrial output. But Hainan officials are coming to realize that it may be difficult to get the foreign investment the island province of 6.7 million people needs.

"The central government gives us lots of policies, but it's short of money," said Jiang Wei, an economic planning official. "So we depend on foreign investors. We have lots of good projects, but we need investors to develop them."

Hainan, an agricultural backwater, lacks the basic roads, water and communication structures to develop a modern base.

In the early 1980s, the central government plowed enormous sums into other special economic zones, like the town of Shenzhen, next to Hong Kong, but these are times of austerity, and Beijing is giving Hainan much less money than it gave Shenzhen.

"There's been some impact since June, and development will be a bit slower," acknowledged Li Hui-fang, a Guangzhou native who is now running Haikou's Southyang Footwear Factory, a Taiwan- and Hong Kong-financed company that exports athletic shoes to the United States.

But Mr. Li and others here are reluctant to accept defeat. Mr. Li says Hainan can still prosper, given its advantages over parts of the mainland. There is no electricity shortage, he said, and land costs are lower here than in some other coastal areas.

Mr. Li says his company makes a profit of 30 to 40 cents on a pair of shoes; that profit would be 20 to 30 cents a pair if they were made in Taiwan.

To many foreigners, still waiting to see what will happen here, the Yanguo project is a barometer of conditions in Hainan, and these days it is not a reassuring one.

The initial plan was for Kumagai Gumi Ltd. of Hong Kong, a 35 percent-owned subsidiary of the major Japanese construction company, also called Kumagai Gumi, to lease 12.5 square miles (32.4 square kilometers) at Yanguo.

There, on the northwest side of Hainan, the company was to develop a free port, like Hong Kong.

Kumagai Gumi was to pay for the construction of local roads, power plants, water systems and other infrastructure projects. Foreign companies would then be expected to swarm to the area to take advantage of the cheap labor force.

Kumagai Gumi has already paid the equivalent of \$6.75 million as the first installment on its lease. And the province's party secretary, Xu Shijie, and other leaders all insist that Yanguo project will go through.

But local officials and foreign business executives note that the project has yet to be approved by the State Council in Beijing. "There must be some differences between Yanguo and the rest of Hainan, but Yanguo won't be duty-free," said Mr. Jiang, the economic planner.

Despite the Yanguo uncertainty, Hainan is still trying to arrange other long-term land leases, including 21.1 square miles near Haikou.

Ye Zhanqin, an official in the province's economic cooperation bureau, said the province wanted the area to become a recreational zone with hotels, golf courses and other sports facilities.

"Certainly there has been an influence from June 4, but it hasn't been so great," Mr. Ye said.

Some Chinese and foreigners, contending that Hainan's dreams were never realistic, noted it lacks the geographic and developmental advantages of boom economies like Guangdong province, which adjoins Hong Kong.

Moon's Church Backs China Car Factory

By Warren Brown
Washington Post Service

WASHINGTON — A U.S. auto company with ties to the Unification Church of the Reverend Sun Myung Moon is investing \$1 billion in the development of the huge untapped car market of China.

The company, Panda Motors Corp. of Vienna, Virginia, is planning to build a giant auto assembly plant in China at a time when many American companies are expressing concern over investments there.

The plant would be in Harbin, about 50 miles (81 kilometers) from Hong Kong, with production scheduled to begin in 1991. Panda plans to produce 300,000 subcompact cars a year.

Panda's treasurer is Bo Hi Pak, who also serves as chairman of Newsworld Communications, publisher of the Washington Times; that is the newspaper controlled by the business group of the Unification Church, founded by Mr. Moon in 1954.

Panda and Unification Church officials said the church is only one of many investors in the Panda China project.



Map of China showing the location of Hainan Island and the Yanguo Port project area.

Hong Kong-Owned Insiders Are Starting to Look Out

By Stuart Auerbach
Washington Post Service

HONG KONG — Over the past 10 years, factories in China owned by Hong Kong companies have been Santa's workshops for children, turning out toys such as this year's hit in the United States, the Teenage Mutant Ninja Turtle.

Now, these toy-makers are debating whether to stop building new factories in China in favor of starting operations in other low-wage countries in Asia like Malaysia and Thailand — a move that poses major threats to the closely knit economies of Hong Kong and China.

The toy-makers are being pushed both by the economic austerity program of China's leaders, who have cut back many of the privileges of Guangdong province, where most of the toy factories are located, and by the June 4 crackdown on student dissidents.

"People just don't want 100 percent of their sourcing from China, which I think is very prudent," said Stuart H. Leckie, managing director of the Hong Kong office of Wyatt Co., a global consulting firm.

"Toy companies are thinking of expanding to other places," said Dennis Ting, chairman of the Hong Kong Toy Council.

The mood of the toy-makers symbolizes the disenchantment of foreign investors with China since June. They are not pulling out, but are not increasing their investment.

Hong Kong companies are China's largest foreign investors, with most of the money in small factories doing labor-intensive manufacturing in Guangdong, the province closest to Hong Kong that has been the engine of China's export drive and its economic growth.

Guangdong, the richest sector of China, became a factory suburb to Hong Kong after labor shortages there drove up wages to the point

where the colony was no longer competitive in many sectors.

Already, the signs of economic slowdown abound in Guangdong, adding to Hong Kong's worries about its future after the British territory of 5.7 million people is turned over to Chinese sovereignty in 1997.

An American businessman, John T. Kamm, said official Chinese sources report that exports from Guangdong will drop by as much as 20 percent this year, compared with 1988. "Even no growth would be very serious," said Mr. Kamm, the first vice president of the American Chamber of Commerce here and an expert on the economy of Guangdong.

One of the first signs of Guangdong's export decline is showing up in a reduction of imports from Hong Kong.

The industrial slowdown in Guangdong is largely a product of government austerity measures instituted before June's political crackdown in an attempt to cool an overheated economy.

But the feeling of uncertainty over the future of China's economic liberalization program, and the unwillingness of business to make new investments in China, are accelerating the decline.

The toy industry is not the only one considering diversifying its manufacturing as a result of a growing concern over the Hong Kong-China relationship.

The Hong Kong Electronics Association, whose members do most of their manufacturing in the colony, has sponsored trips to the Philippines, Malaysia and Thailand during the past three months to study the climate for new investment. One of their concerns is that export-control rules will cut their access to Western technology once China takes over.

The broker said the next move for Bond Corp.'s share price was difficult to predict. "You would think those shareholders who've hung in there this long would stay now, but it may drop further."

Bond Media shares were down 1 cent at 16 cents. A scrip bid for the group by the Australian investor Kerry Packer, valuing it at about \$3 million dollars, was announced after the close of trading Friday.

The shares of Bell Resources, which is 58 percent-owned by Bond, were down 1 cent at 56 cents. Bond Corp. has said it will announce details Friday regarding its

Beijing Cuts Duty On Raw Materials

BEIJING — China will remove duties on some imports destined for ventures with foreign investors that are having trouble with shortages, the China Daily said Monday.

The Ministry of Materials and Equipment has been empowered to set up companies to sell raw materials to joint ventures, the English-language newspaper said.

Such companies are to be allowed to import, without tariff, any materials destined for China's 8,000 firms with foreign investment.

Investor's Asia				
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
2900	1450	38000		
2800	1325	36000		
2700	1200	34000		
2600	1075	32000		
2500	950	30000		
2400	825	28000		
2300	700	26000		
2200	575	24000		
2100	450	22000		
2000	325	20000		
1900	200	18000		
1800	75	16000		
1700		14000		
1600		12000		
1500		10000		
1400		8000		
1300		6000		
1200		4000		
1100		2000		
1000		0		
900				
800				
700				
600				
500				
400				
300				
200				
100				
0				
Exchange	Index	Mon. Close	Prev. Close	% Change
Hong Kong Hang Seng		2767.48	2756.90	+0.38
Singapore Straits Times		1426.13	1408.51	+1.25
Sydney All Ordinaries		1646.40	1624.60	+1.34
Tokyo Nikkei 225		37303.67	37192.68	+0.46
Kuala Lumpur Composite		511.80	510.74	+0.21
Bangkok Book Club		682.22	674.37	+1.16
Seoul Composite Stock		891.13	898.77	-0.85
Taipei Weighted Price		8665.85	8931.28	-2.97
Manila Composite		Closed	Closed	
New Zealand Barclays		2074.47	2069.42	+0.24
Bombay National Index		383.57	375.15	+2.24

Sources: Datastream, Reuters, AFP

International Herald Tribune

Bond Corp. Shares Sink To New Low in Sydney

SYDNEY — Bond Corp. Holdings shares slid 7 Australian cents (5 U.S. cents) to a record low of 13 cents Monday, as concern mounted about the troubled Bond group, brokers said.

"It's a very volatile situation," a broker said. "The company is in extremely dire straits."

He said reports of missed interest payments and a looming court case that could cost Bond Corp. more than 140 million dollars added to existing concerns about a 10-cent-a-share scrip bid for the Bond Media Ltd. unit and the prospect of Bond losing control of the board of Bell Resources Ltd.

The broker said the next move for Bond Corp.'s share price was difficult to predict. "You would think those shareholders who've hung in there this long would stay now, but it may drop further."

Bond Media shares were down 1 cent at 16 cents. A scrip bid for the group by the Australian investor Kerry Packer, valuing it at about \$3 million dollars, was announced after the close of trading Friday.

The shares of Bell Resources, which is 58 percent-owned by Bond, were down 1 cent at 56 cents. Bond Corp. has said it will announce details Friday regarding its

Jakarta Pushed On Stock Rule

JAKARTA — A leading Indonesian banker has urged the government to change a law that blocks foreigners from buying shares in banks listed on the stock exchange.

Abdulgani, chairman of Bank Duta, a leading private bank, said that the restriction ignored the needs of private banks to raise capital to finance growth. "We know the government is working on a new banking law," he said.

"We hope it will overcome the issue so the bank shares can be treated in the same way as other companies."

Since September, foreign investors have been allowed to buy into all listed companies, except banks. The restriction was announced just as four banks were planning sizable stock flotations.

AMEX

Monday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div. Yld. PE 52 High Low 4PM Close

	12 Month High	Low	Stock	Div.	Yld.	PE	52 High	Low	4PM Close
IBM	100	90	IBM	3.00	3.00	12.5	100	90	100
Microsoft	120	110	Microsoft	0.00	0.00	15.0	120	110	120
Apple	140	130	Apple	0.00	0.00	18.0	140	130	140
Oracle	160	150	Oracle	0.00	0.00	20.0	160	150	160
Sun	180	170	Sun	0.00	0.00	22.0	180	170	180
Novell	200	190	Novell	0.00	0.00	24.0	200	190	200
Lotus	220	210	Lotus	0.00	0.00	26.0	220	210	220
Intuit	240	230	Intuit	0.00	0.00	28.0	240	230	240
Adobe	260	250	Adobe	0.00	0.00	30.0	260	250	260
McAfee	280	270	McAfee	0.00	0.00	32.0	280	270	280
VeriSign	300	290	VeriSign	0.00	0.00	34.0	300	290	300
Comcast	320	310	Comcast	0.00	0.00	36.0	320	310	320
Time Warner	340	330	Time Warner	0.00	0.00	38.0	340	330	340
News Corp.	360	350	News Corp.	0.00	0.00	40.0	360	350	360
Disney	380	370	Disney	0.00	0.00	42.0	380	370	380
Paramount	400	390	Paramount	0.00	0.00	44.0	400	390	400
Warner Bros.	420	410	Warner Bros.	0.00	0.00	46.0	420	410	420
Columbia	440	430	Columbia	0.00	0.00	48.0	440	430	440
Universal	460	450	Universal	0.00	0.00	50.0	460	450	460
Paramount	480	470	Paramount	0.00	0.00	52.0	480	470	480
Warner Bros.	500	490	Warner Bros.	0.00	0.00	54.0	500	490	500
Columbia	520	510	Columbia	0.00	0.00	56.0	520	510	520
Universal	540	530	Universal	0.00	0.00	58.0	540	530	540
Paramount	560	550	Paramount	0.00	0.00	60.0	560	550	560
Warner Bros.	580	570	Warner Bros.	0.00	0.00	62.0	580	570	580
Columbia	600	590	Columbia	0.00	0.00	64.0	600	590	600
Universal	620	610	Universal	0.00	0.00	66.0	620	610	620
Paramount	640	630	Paramount	0.00	0.00	68.0	640	630	640
Warner Bros.	660	650	Warner Bros.	0.00	0.00	70.0	660	650	660
Columbia	680	670	Columbia	0.00	0.00	72.0	680	670	680
Universal	700	690	Universal	0.00	0.00	74.0	700	690	700
Paramount	720	710	Paramount	0.00	0.00	76.0	720	710	720
Warner Bros.	740	730	Warner Bros.	0.00	0.00	78.0	740	730	740
Columbia	760	750	Columbia	0.00	0.00	80.0	760	750	760
Universal	780	770	Universal	0.00	0.00	82.0	780	770	780
Paramount	800	790	Paramount	0.00	0.00	84.0	800	790	800
Warner Bros.	820	810	Warner Bros.	0.00	0.00	86.0	820	810	820
Columbia	840	830	Columbia	0.00	0.00	88.0	840	830	840
Universal	860	850	Universal	0.00	0.00	90.0	860	850	860
Paramount	880	870	Paramount	0.00	0.00	92.0	880	870	880
Warner Bros.	900	890	Warner Bros.	0.00	0.00	94.0	900	890	900
Columbia	920	910	Columbia	0.00	0.00	96.0	920	910	920
Universal	940	930	Universal	0.00	0.00	98.0	940	930	940
Paramount	960	950	Paramount	0.00	0.00	100.0	960	950	960
Warner Bros.	980	970	Warner Bros.	0.00	0.00	102.0	980	970	980
Columbia	1000	990	Columbia	0.00	0.00	104.0	1000	990	1000
Universal	1020	1010	Universal	0.00	0.00	106.0	1020	1010	1020
Paramount	1040	1030	Paramount	0.00	0.00	108.0	1040	1030	1040
Warner Bros.	1060	1050	Warner Bros.	0.00	0.00	110.0	1060	1050	1060
Columbia	1080	1070	Columbia	0.00	0.00	112.0	1080	1070	1080
Universal	1100	1090	Universal	0.00	0.00	114.0	1100	1090	1100
Paramount	1120	1110	Paramount	0.00	0.00	116.0	1120	1110	1120
Warner Bros.	1140	1130	Warner Bros.	0.00	0.00	118.0	1140	1130	1140
Columbia	1160	1150	Columbia	0.00	0.00	120.0	1160	1150	1160
Universal	1180	1170	Universal	0.00	0.00	122.0	1180	1170	1180
Paramount	1200	1190	Paramount	0.00	0.00	124.0	1200	1190	1200
Warner Bros.	1220	1210	Warner Bros.	0.00	0.00	126.0	1220	1210	1220
Columbia	1240	1230	Columbia	0.00	0.00	128.0	1240	1230	1240
Universal	1260	1250	Universal	0.00	0.00	130.0	1260	1250	1260
Paramount	1280	1270	Paramount	0.00	0.00	132.0	1280	1270	1280
Warner Bros.	1300	1290	Warner Bros.	0.00	0.00	134.0	1300	1290	1300
Columbia	1320	1310	Columbia	0.00	0.00	136.0	1320	1310	1320
Universal	1340	1330	Universal	0.00	0.00	138.0	1340	1330	1340
Paramount	1360	1350	Paramount	0.00	0.00	140.0	1360	1350	1360
Warner Bros.	1380	1370	Warner Bros.	0.00	0.00	142.0	1380	1370	1380
Columbia	1400	1390	Columbia	0.00	0.00	144.0	1400	1390	1400
Universal	1420	1410	Universal	0.00	0.00	146.0	1420	1410	1420
Paramount	1440	1430	Paramount	0.00	0.00	148.0	1440	1430	1440
Warner Bros.	1460	1450	Warner Bros.	0.00	0.00	150.0	1460	1450	1460
Columbia	1480	1470	Columbia	0.00	0.00	152.0	1480	1470	1480
Universal	1500	1490	Universal	0.00	0.00	154.0	1500	1490	1500
Paramount	1520	1510	Paramount	0.00	0.00	156.0	1520	1510	1520
Warner Bros.	1540	1530	Warner Bros.	0.00	0.00	158.0	1540	1530	1540
Columbia	1560	1550	Columbia	0.00	0.00	160.0	1560	1550	1560
Universal	1580	1570	Universal	0.00	0.00	162.0	1580	1570	1580
Paramount	1600	1590	Paramount	0.00	0.00	164.0	1600	1590	1600
Warner Bros.	1620	1610	Warner Bros.	0.00	0.00	166.0	1620	1610	1620
Columbia	1640	1630	Columbia	0.00	0.00	168.0	1640	1630	1640
Universal	1660	1650	Universal	0.00	0.00	170.0	1660	1650	1660
Paramount	1680	1670	Paramount	0.00	0.00	172.0	1680	1670	1680
Warner Bros.	1700	1690	Warner Bros.	0.00	0.00	174.0	1700	1690	1700
Columbia	1720	1710	Columbia	0.00	0.00	176.0	1720	1710	1720
Universal	1740	1730	Universal	0.00	0.00	178.0	1740	1730	1740
Paramount	1760	1750	Paramount	0.00	0.00	180.0	1760	1750	1760
Warner Bros.	1780	1770	Warner Bros.	0.00	0.00	182.0	1780	1770	1780
Columbia	1800	1790	Columbia	0.00	0.00	184.0	1800	1790	1800
Universal	1820	1810	Universal	0.00	0.00	186.0	1820	1810	1820
Paramount	1840	1830	Paramount	0.00	0.00	188.0	1840	1830	1840
Warner Bros.	1860	1850	Warner Bros.	0.00	0.00	190.0	1860	1850	1860
Columbia	1880	1870	Columbia	0.00	0.00	192.0	1880	1870	1880
Universal	1900	1890	Universal	0.00	0.00	194.0	1900	1890	1900
Paramount	1920	1910	Paramount	0.00	0.00	196.0	1920	1910	1920
Warner Bros.	1940	1930	Warner Bros.	0.00	0.00	198.0	1940	1930	1940
Columbia	1960	1950	Columbia	0.00	0.00	200.0	1960	1950	1960
Universal	1980	1970	Universal	0.00	0.00	202.0	1980	1970	1980
Paramount	2000	1990	Paramount	0.00	0.00	204.0	2000	1990	2000
Warner Bros.	2020	2010	Warner Bros.	0.00	0.00	206.0	2020	2010	2020
Columbia	2040	2030	Columbia	0.00	0.00	208.0	2040	2030	2040
Universal	2060	2050	Universal	0.00	0.00	210.0	2060	2050	2060
Paramount	2080	2070	Paramount	0.00	0.00	212.0	2080	2070	2080
Warner Bros.	2100	2090	Warner Bros.	0.00	0.00	214.0	2100	2090	2100
Columbia	2120	2110	Columbia	0.00	0.00	216.0	2120	2110	2120
Universal	2140	2130	Universal	0.00	0.00	218.0	2140	2130	2140
Paramount	2160	2150	Paramount	0.00	0.00	220.0	2160	2150	2160
Warner Bros.	2180	2170	Warner Bros.	0.00	0.00	222.0	2180	2170	2180
Columbia	2200	2190	Columbia	0.00	0.00	224.0	2200	2190	2200
Universal	2220	2210	Universal	0.00	0.00	226.0	2220	2210	2220
Paramount	2240	2230	Paramount	0.00	0.00	228.0	2240	2230	2240
Warner Bros.	2260	2250	Warner Bros.	0.00	0.00	230.0	2260	2250	2260
Columbia	2280	2270	Columbia	0.00	0.00	232.0	2280	2270	2280
Universal	2300	2290	Universal	0.00	0.00	234.0	2300	2290	2300
Paramount	2320	2310	Paramount	0.00	0.00	236.0	2320	2310	2320
Warner Bros.	2340	2330	Warner Bros.	0.00	0.00	238.0	2340	2330	2340
Columbia	2360	2350	Columbia	0.00	0.00	240.0	2360	2350	2360
Universal	2380	2370	Universal	0.00	0.00	242.0	2380	2370	2380
Paramount	2400	2390	Paramount	0.00	0.00	244.0	2400	2390	2400
Warner Bros.	2420	2410	Warner Bros.	0.00	0.00	246.0	2420	2410	2420
Columbia	2440	2430	Columbia	0.00	0.00	248.0	2440	2430	2440
Universal	2460	2450	Universal	0.00	0.00	250.0	2460	2450	2460
Paramount	2480	2470	Paramount	0.00	0.00	252.0	2480	2470	2480
Warner Bros.	2500	2490	Warner Bros.	0.00	0.00	254.0	2500	2490	2500
Columbia	2520	2510	Columbia	0.00	0.00	256.0	2520	2510	2520
Universal	2540	2530	Universal	0.00	0.00	258.0	2540	2530	2540
Paramount	2560	2550	Paramount	0.00	0.00	260.0	2560	2550	2560
Warner Bros.	2580	2570	Warner Bros.	0.00	0.00	262.0	2580	2570	2580
Columbia	2600	2590	Columbia	0.00	0.00	264.0	2600	2590	2600
Universal	2620	2610	Universal	0.00	0.00	266.0	2620	2610	2620
Paramount	2640	2630	Paramount	0.00	0.00	268.0	2640	2630	2640
Warner Bros.	2660	2650	Warner Bros.	0.00	0.00	270.0	2660	2650	2660
Columbia	2680	2670	Columbia	0.00	0.00	272.0	2680	2670	2680
Universal	2700	2690	Universal	0.00	0.00	274.0	2700	2690	2700
Paramount	2720	2710	Paramount	0.00	0.00	276.0	2720	2710	2720
Warner Bros.	2740	2730	Warner Bros.	0.00	0.00	278.0	2740	2730	2740
Columbia	2760	2750	Columbia	0.00	0.00	280.0	2760	2750	2760
Universal	2780	2770	Universal	0.00	0.00	282.0	2780	2770	2780
Paramount	2800	2790	Paramount	0.00	0.00	284.0	2800	2790	2800
Warner Bros.	2820	2810	Warner Bros.	0.00	0.00	286.0	2820	2810	2820
Columbia	2840	2830	Columbia	0.00	0.00	288.0	2840	2830	2840
Universal	2860	2850	Universal	0.00	0.00	290.0	2860	2850	2860
Paramount</									

SPORTS

Free Agents Are Far From It

Baseball Owners Meet Amid Wild Spending for Players

By Richard Justice

Washington Post Service

Against a backdrop of wild free-agent spending and an unsettled labor situation, Major League Baseball convened its 88th winter meetings Monday in Nashville, Tennessee.

This is the marathon week that team owners traditionally have devoted to discussing their business and general managers to talk trade. That again will be the agenda, and while dozens of prominent players — Tim Lincecum, Joe Carter, Mike Greenwell, Danny Tartabull, Ron Darling and others — will be offered around, there may not be a lot of trading.

In 1988, 23 trades found new summer homes for 45 players. Teams still want to deal, but in the five weeks since the Oakland Athletics finished their World Series sweep of the San Francisco Giants, many of the teams expected to be the most active have devoted much of their time to dealing with free agents.

That has cooled the hot stove considerably, but it has heated up some bank accounts. A year after many baseball people thought spending could never get crazier, it has gone off the charts.

Three players — Kirby Puckett, Mark Langston and Rickey Henderson — have gotten \$3 million-a-year deals. For the first time since 1985, contracts of longer than three years were issued — to Langston (five years) and Henderson (four).

Those contracts have established new guidelines for superstars, but what is troubling some baseball executives is that there also is a new structure for average players. Pascual Perez, for instance, received \$5.7 million over three years from the New York Yankees despite a 64-62 record and a history of drug problems. Outfielder Kevin Bass (five home runs, 44 runs batted in with the Houston Astros) got \$5.25 million to move to San Francisco. Another outfielder, Gary Pettis (.257), moved from the Detroit Tigers to the Texas Rangers for \$2.75 million over three years. Candy Maldonado hit .217 for the Giants, but still got a one-year, \$825,000 deal from the Cleveland Indians.

Overall, nine leading free agents already have changed teams — including Langston, Perez, Pettis, Maldonado, Bass, Dave Parker, Tony Pena, Bryn Smith and Nick Esasky. These signings are certain

to push the average major league salary from last year's record \$488,500 to more than \$500,000.

This spending comes at a time when owners and players are back at the table attempting to hammer out a collective bargaining agreement. The current one expires Dec. 31, and since the last one was negotiated in 1985, much has changed, including:

- Collusion. Owners twice have been found guilty of conspiring to kill free agency, and a third legal case is pending. They have already been assessed \$10 million in damages, and the total bill could come to twice that.

- Prosperity. Network television revenue will go from about \$7 million in 1989 to about \$13 million in 1990. Ten teams established attendance records in 1989, and all 26 are believed to have made money. Times are so good that Peter Ueberroth, the former baseball commissioner, urged club owners to cut ticket prices by 75 cents. They declined.

- Faces. Ueberroth, generally considered the architect of the collusion policies, was commissioner in 1985, and Lee MacPhail, a highly respected career baseball man, was his chief negotiator.

The owners appear determined to take a decade-old salary structure and change it. Now players with less than three full years of service have no negotiating power.

After three full years, they are eligible to take their salary disputes to an arbitrator, and after six years are eligible for free agency. That has allowed clubs to keep younger players on a tight leash; last year players not eligible for arbitration averaged \$209,592 per man.

What the owners have said they will propose is a complex salary scale in which players in their first through sixth years would be paid based on statistics.

The owners also will propose giving the players a set percentage of each year's revenues and requiring teams to spend the money on salaries.

"It's not a matter of more control," said a source with the owners' Player Relations Committee. "It's going into a season knowing your costs. Every other industry can write a budget for a business year. In baseball you can't."

This system may not survive negotiations that are expected to heat up in January, but some owners believe such a strict system may be the only way to protect themselves from the unpredictable arbitration rulings and the fast spending of some of their colleagues.

The players would like an increase in the minimum salary, strong anti-collusion language and a change in the arbitration eligibility requirements from three years to two.

So what price to be a champion? The A's had a \$17.5 million payroll last season, and expect it to go above \$20 million in 1990. That is factoring in raises for Mark McGwire, Jose Canseco and others, a new contract for Dave Stewart and Henderson's deal.

And the A's have two more prominent free agents — Storm Davis and Tony Phillips. A third, Dave Parker, signed a two-year, \$3 million contract with the Milwaukee Brewers on Sunday.

"We've got to see where this market settles in," the A's general manager, Sandy Alderson, said. "Maybe what we've seen over the last week is an aberration. But to some extent, these contracts drag everybody else along. I don't think what's going on now could last for very long. If it does, a lot of teams are going to be in trouble."

Officials Swing A Deal in Battle Over Bat Logos

The Associated Press

NASHVILLE, Tennessee — The great bat debate is over, at least for now.

Last month, major league baseball told teams they must order bats without any manufacturer's identification. Baseball officials said the logos had gotten too big, in particular the "Louisville Slugger" label on Rickey Henderson's bat in postseason play.

The batmakers complained, saying trademarks were important to their business. They also said that without labels the players might hold the bats upside down and break more of them.

The two sides compromised Sunday at the baseball winter meetings. Baseball officials said that logos can still appear but cannot be longer than four inches (10 centimeters). In the past, the labels had been allowed to be 4½ inches.

"I guess it's good to have standards, but why couldn't they just enforce the old one, rather than cutting back," said Jess Heald, president of Worth Sports Co. "I think it's being handled poorly."

VANTAGE POINT/Thomas Boswell

Humble Heroes Just a Thing of the Past

Washington Post Service

WHATEVER happened to humble heroes? If Lou Gehrig were alive, would he wear a mohawk haircut? Or write a tell-all biography at the age of 22 about his former college team? Course not.

If Joe Louis were champ, would he deck himself in a dozen gold chains, then name himself "Prime Time"? No way.

If Jim Thorpe were in his heyday, would he do a television commercial pretending to "know" all about sports in which he'd never accomplished anything?

If Walter Johnson won the World Series, would he be known to a public prayer? Then yell into another camera, "I'm going to Disney World?"

Would Bronco Nagurski sell himself as "The Refrigerator"? Would Sammy Baugh wear a headband in the Super Bowl criticizing the commissioner of his sport? Would Babe Ruth — yes, even "The Babe" who would do most anything — have a 900 telephone number to make a buck off his fans by telling them what he ate for breakfast?

If Joe DiMaggio had somehow gotten himself banned from baseball, would he decline comment,

saying he was saving his story to sweeten the book deal?

These days, if a college football team isn't trying to run up a 100-point score, then a college basketball team is trying to full-court press its way to 100 points in a half against a tiny pathetic foe.

All together now, everybody paint your face or chest in your team's colors, wear a Hog or a

nobbed with the highest. The real Sugar Ray — even nicknames get punished in the interest of hype — drove a pink Cadillac. And Jones created a tournament to his own memory. But they didn't make fools of themselves. They combined personal style with class.

Once, modesty was the norm. For every Dizzy Dean, there were countless Babe Didriksons and Bill

the president of the United States in the 1920s.

Instead of blaming television or million-dollar deals, perhaps we should also give sarcastic thanks to the radical '60s and the conservative '80s.

The first began an unreflective worship of freedom. Truly gifted athletes like Muhammad Ali and Joe Namath mirrored the times with their poetry and predictions, hairstyles and hip fashions. Thanks largely to them, a peripatetic cliché took root: "It's not bragging if you back it up." Oh? Who said bragging is bragging — period.

Gradually, the message of the athletic Age of Aquarius became clear: If you're good and also gauche, you'll be even richer, even more famous. Somehow, bombast may even lead you to the illusion of stature, of weightiness.

The '80s have given us an equally unreflective worship of personal wealth. When we respect what a person has, rather than how he got it, it's no wonder that many athletes consider it a crime against nature not to capitalize on every "opportunity."

In sports, as in much of a modern consumer society, the real thing begets the knockoff. The genuine article degenerates into the copy. Ali was a unique self-creation. But what can we say about The Boz, The Fridge and Neon Deion?

In sports, as in much of a modern consumer society, the real thing begets the knockoff. The genuine article degenerates into the copy. Ali was a unique self-creation. But what can we say about The Boz, The Fridge and Neon Deion?

Dave mask, chant an obscenity and hold up your bed-sheet sign that says "We're No. 1." Then unscrew your head and spike it in the nearest end zone.

Some of us who aren't old enough to remember the good old days are becoming nostalgic for them anyway.

What would Bobby Jones and Sugar Ray Robinson think of today's braggarts and blowhards? They loved celebrity and hob-

blidens. Now, we cling to athletes who see themselves as the last examples of some noble endangered species. People like Chris Evert or Michael Jordan or Cal Ripken Jr., who have an innate sense of reserve, seem like treasures. You can do a zillion ads, like Evert, or wear fur coats and invent new drinks like Jordan, or sell milk like Ripken and still remain essentially unpretentious. Granted, the difference between self-expression and self-glorification is a knock, a gift.

As recently as 25 years ago, no one gave a high-five after a home run, much less a low-five or an elbow bash. A curtain call was reserved for a 500th home run — maybe. A tip of the cap was a big deal. Self-congratulation was viewed, as it should be, as beneath a person of real talent or character. The act was self-evident, self-explanatory, to those capable of grasping it.

In sports, humility was enforced, rather than encouraged. An athlete's dignity, not his salary, was his calling card. If you "showed up your face, you got a fastball in the ear or a blindside block."

TO WHAT DO WE OWE our current glut of athletic hubris? The easy obvious answers might be television and money. Lots of exposure and lots of wealth can swell your head.

But how much more famous can you be than Rocky Marciano or Jesse Owens? Athletes were joking about making more money than

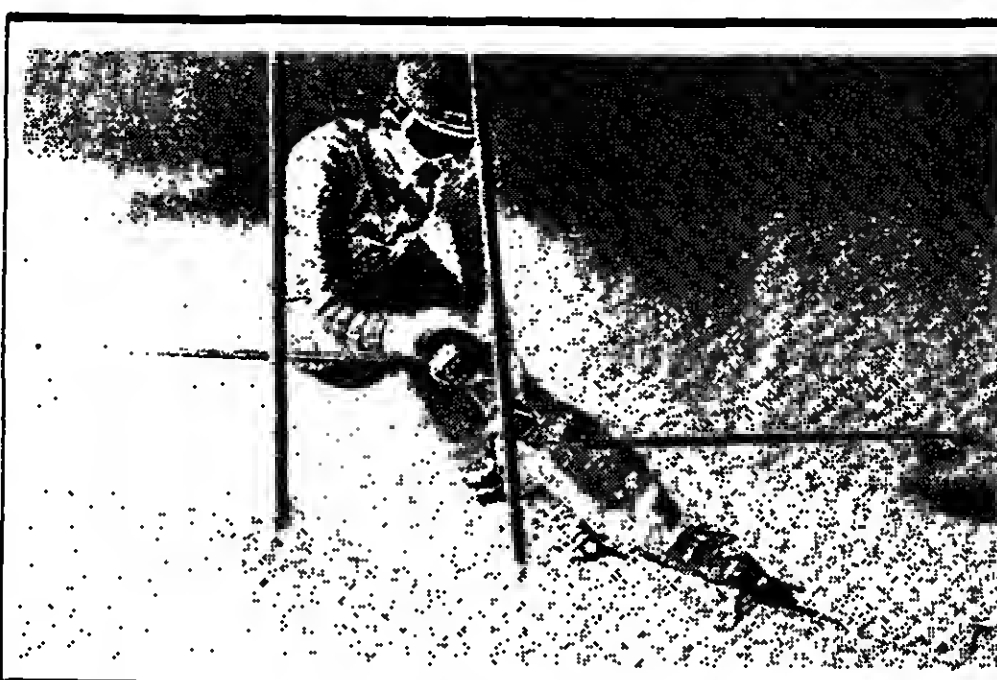
Soccer May Change The Offside Rule

The Associated Press

LONDON — The offside rule in soccer could be changed next year, after the World Cup finals, to give more leeway to an attacking player, the international soccer organization, FIFA, said.

A committee will recommend that offside no longer be called when an attacking player who is standing even with an opponent's second-to-last defender receives the ball.

An attacking player who has gone past the second-to-last defender before receiving the ball still will be offside.



Wachter Wins Giant Slalom

Anja Wachter, left, sliced her way to a World Cup giant slalom victory in Vail, Colorado, on Sunday. The 22-year-old Austrian won the event in a two-run time of 2:18.29 to reclaim her overall lead in the ski tour. Dianne Roffe of the United States finished second, eighth-tenths of a second slower, and moved into fourth place on the tour. Switzerland's Vreni Schneider finished third. Men's and women's results and standings appear in Scoreboard.

Not Rated/The Associated Press

CHESS

By Robert Byrne

PRECISION conservative play was the dominant theme in Gary Kasparov's triumph at the Interpolis International Tournament in Tilburg, the Netherlands, where his 10-2 score in a powerful, all-grandmaster field enabled him to achieve the highest International Chess Federation rating ever.

That is not the world champion's usual attacking style, yet there is no indication that the star from Soviet Azerbaijan adopted it deliberately. What very likely happened is that his opponents, filled with nightmares of impending checkmates, tried to play with maximum caution against him — and discovered that he had more than enough methods for countering that, too.

In the ninth round of the competition, which ended Oct. 2, Ljubomir Ljubojevic of Yugoslavia, normally full of adventure, uncharacteristically chose a dry, solid opening, but was overwhelmed by Kasparov's swirling knight play in the endgame.

The point of Ewifm Bogolyubov's 3...Bb4 is to obtain an exchange that will anticipate any pressure on the black position. After 4 Bb2 Bb2, Kasparov recaptured with 5 Qd2 to reserve the option of developing his b1 knight at its optimum c3 square.

The trouble with 6...d5 is that it puts Black's major center pawn on the same color square as his bishop. Of course, Black can exchange it out of the way, as Ljubojevic did with 10...dc, but then it is the g2 bishop that reaps the chief benefit.

The intended freeing of the Black position with 11...c5 12 dc Qc5 13 Nbd2 Bd7 14 b4 Qc4 15 Nd4 left the a6 knight in an awkward place. Moreover, now the natural 15...Bc6 would yield White strong pressure with his knights after 16 Rac1 Rac8 17 Na5 Bc4 18 Ne5.

Just when it seemed that Ljubojevic was successfully squirming away with 17...b6, Kasparov produced a little combination that enabled him to keep the initiative, namely 18 Bb7! Rb7 19 a4 Nb4 (19...Bc4 20 Ba6) 20 ab Rb7 21 Nd6! Rb7 22 Ne8 Rac8 23 Na7. After 23...Nb5 24 Nac6 Ra8 25 Nc4, the white knights held the commanding positions.

On 28 Na7, Ljubojevic could have tried 28...Rb8, but 29 Ra3 Kf8 30 f3 Ne5 31 e4 would be passive and difficult to defend. He thought that 28...Rd8 29 Nb6 Ne3 30 Ra5 Rd1 31 Kg2 Rb1 would eliminate the dangerous white b6 pawn, but Kasparov's 32 Nd7! proved him wrong. The cruel point was that 33...N3b5? 33 Nb5 34 Ra7! Ne8 35 Ra8 wins a piece.

After 35 Kasparov's b7i, it was not possible to take the b7 pawn because 35...Rb7 allows 36 Nd6! Rd7 37 Ra8, forcing mate. After 35...Rg1, Kasparov did not play 36 Kf3 because 36...Nd4 37 Ke4 Nc6 permits more resistance than his coldbloodedly accurate 36 Kh3! Nef4 37 Kg4! (but not 37 g? Nf4 38 Kh4 g5 39 Rg5 f6 mate) h5 38 Kf3, which costs Black a rook to stop the passed b pawn. Ljubojevic gave up.



Position after 17...b6

ROGO-INDIAN DEFENSE			
White	Black	White	Black
1. e4	e5	11. Qd2	Qc5
2. Nf3	Nf6	12. Qc3	Qb6
3. Bb1	Bc8	13. Qb2	Qc7
4. Bb2	Bb7	14. Qc3	Qb6
5. Qd2	Qc5	15. Qb2	Qc7
6. Bb1	Bc8	16. Qc3	Qb6
7. Bb2	Bb7	17. Qb2	Qc7
8. Qd2	Qc5	18. Qc3	Qb6
9. Qc3	Qb6	19. Qb2	Qc7
10. Qb2	Qc7	20. Qc3	Qb6
11. Qd2	Qc5	21. Qb2	Qc7
12. Qc3	Qb6	22. Qb2	Qc7
13. Qb2	Qc7	23. Qc3	Qb6
14. Qc3	Qb6	24. Qb2	Qc7
15. Qd2	Qc5	25. Qc3	Qb6
16. Qb2	Qc7	26. Qc3	Qb6
17. Qc3	Qb6	27. Qb2	Qc7
18. Qd2	Qc5	28. Qc3	Qb6
19. Qb2	Qc7	29. Qc3	Qb6
20. Qc3	Qb6	30. Qb2	Qc7
21. Qd2	Qc5	31. Qc3	Qb6
22. Qb2	Qc7	32. Qc3	Qb6
23. Qc3	Qb6	33. Qb2	Qc7
24. Qd2	Qc5	34. Qc3	Qb6
25. Qb2	Qc7	35. Qc3	Qb6
26. Qc3	Qb6	36. Qb2	Qc7
27. Qd2	Qc5	37. Qc3	Qb6
28. Qb2	Qc7	38. Qc3	Qb6
29. Qc3	Qb6	39. Qb2	Qc7
30. Qd2	Qc5	40. Qc3	Qb6
31. Qb2	Qc7	41. Qc3	Qb6
32. Qc3	Qb6	42. Qb2	Qc7
33. Qd2	Qc5	43. Qc3	Qb6
34. Qb2	Qc7	44. Qc3	Qb6
35. Qc3	Qb6	45. Qb2	Qc7
36. Qd2	Qc5	46. Qc3	Qb6
37. Qb2	Qc7	47. Qc3	Qb6
38. Qc3	Qb6	48. Qb2	Qc7
39. Qd2	Qc5	49. Qc3	Qb6
40. Qb2	Qc7	50. Qc3	Qb6
41. Qc3	Qb6	51. Qb2	Qc7
42. Qd2	Qc5	52. Qc3	Qb6
43. Qb2	Qc7	53. Qc3	Qb6
44. Qc3	Qb6	54. Qb2	Qc7
45. Qd2	Qc5	55. Qc3	Qb6
46. Qb2	Qc7	56. Qc3	Qb6
47. Qc3	Qb6	57. Qb2	Qc7
48. Qd2	Qc5	58. Qc3	Qb6
49. Qb2	Qc7	59. Qc3	Qb6
50. Qc3	Qb6	60. Qb2	Qc7

Position after 17...b6

BOOKS

ACTS OF WORSHIP: Seven Stories

By Yukio Mishima. Translated by John Bester. 205 pages. \$17.95. Kodansha International USA Ltd., 10 E. 53d Street, New York, N.Y. 10022.

Reviewed by Herbert Mitgang

MOST of the elements in Yukio Mishima's novels and in his own brief, dazzling life — homoeroticism, women as objects, muscle sports, worship of the body, death games — are foretold in "Acts of Worship," a thoughtful collection of the Japanese writer's short fiction.

Nineteen years after Mishima's ritual death in 1970 at age 45, the stories appear together for the first time in a lucid English translation by John Bester. Apart from the themes in the stories, which often harbor a subterranean violence in ordinary human relationships, Mishima's imagery is as artful as a Japanese flower arrangement.

In "Act of Worship," the longest story and the one that lends the book its title, Mishima provides a vivid picture of the relationship between a group of college students and their guru professor.

"The students who walked behind him bearing his briefcase were, as was only to be expected of such a resolutely anarchistic crew, the black uniforms with stiff white collars that everyone else at the university shunned; it gave them the air of a suite of ill-omened ravens."

The story itself is a character study that centers on the discreet relationship between the elderly professor of literature and his intelligent middle-aged housekeeper.

Other stories reveal Mishima's contemporary interests. "Raisin Bread" portrays a group of young people of the 1950s making a pathetic protest against society.

"Sword" is a picture of the world of college fencing in Japan. "Cigarette" is a study of a bookish, sheltered youth on the threshold of sexuality and the search for love outside his traditional family.

My favorite short story in the collection is "Fountains in the Rain." A rather vain young man and his modern girl friend, Masako, have reached a breaking-point in their relationship. It's his decision alone.

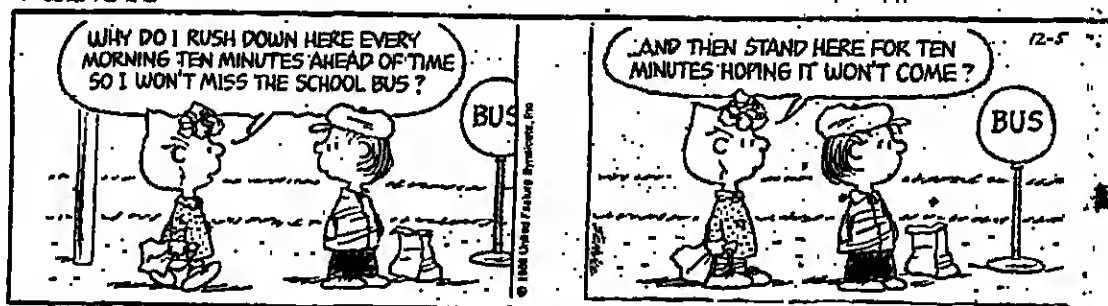
He begins to undermine her defenses and takes cruel satisfaction in conveying the news to her: a peculiar assertion of his manhood. They walk in the rain near the Imperial Palace in Tokyo. Her silence infuriates him.

Mishima writes: "Yes: fountains in the rain. He'd bring the fountains and Masako's tears into confrontation. Even Masako would surely find her match there. For one thing, the fountains were the type that used the same water over and over again, so the girl, whose tears all ran to waste, could hardly compete with them. A human being was scarcely a match for a reflex fountain; almost certainly, she'd give up and stop crying."

"Fountains in the Rain" reveals another side of Mishima's skill with words and ideas: his delicacy and subtlety.

Herbert Mitgang is on the staff of The New York Times.

PEANUTS



BEETLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN

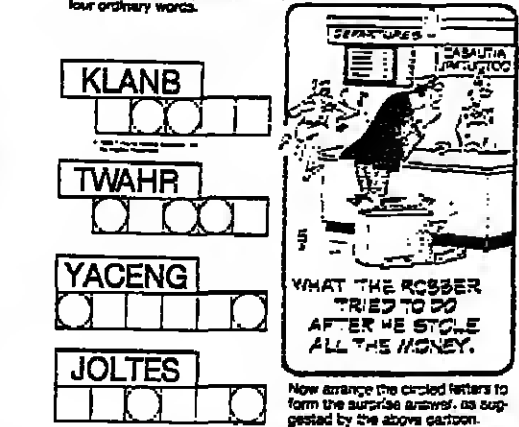


GARFIELD



JUMBLE

Unscramble these four Jumble words. One letter to each square to form four ordinary words.



Answer here: KLANB, TWahr, YACENG, JOLTES

Yesterday's Jumble: ITCHY KETCH ROUSE TACLES

Answer: He thought he was a witch and most of them said he was ITCHY-KETCH ROUSE TACLES.



RUFF'S TAIL IS WAGGING FOR YOU, JOEY. THE BARKIN' IS FOR MARGARET.

SPORTS

Vikings' Offense Clicks, Adding to Bears' Blues

The Associated Press
Herschel Walker, Anthony Carter, Wade Wilson, Hassan Jones, Steve Jordan. The Minnesota Vikings simply have too much offensive talent to have had so little offensive success.

"The whole offense struggled all year long," said Wilson, the quarterback who has followed last year's Pro Bowl season with one of the lowest passer ratings in the National Football League this year. "The defense has carried us."

The offense deserved no criticism Sunday night, however, when

PRO FOOTBALL

The Vikings beat the Chicago Bears, 27-16, in Minneapolis to formalize the changing of the guard in the National Football Conference Central Division.

"Minnesota, plain and simple, is a better football team," Chicago's Jay Hilgenberg said.

Like Minnesota, Green Bay is 8-5, but the Vikings hold the edge on the Packers based on a better division record. So, if Minnesota wins its final three games, it will wear the NFC Central crown for the first time since 1980.

"It's nice to dethrone (the Bears) — as long as we're the ones who replace them on the throne," Wilson said. "It wouldn't do us any good to beat the Bears and then watch the Packers win the division."

In recent games, life for the Vikings had included lots of field goals and punts.

In successive one-point defeats, Minnesota failed to make many big offensive plays. Its last long march had been a 13-play, 76-yard effort that capped a 24-10 victory over Tampa Bay on Nov. 12. The game before that, the Vikings needed seven Rich Karlis field goals and a safety to beat the Los Angeles Rams.

On Sunday, the Vikings scored on drives of 66, 73 and 73 yards. Wilson completed 15 of 26 passes for 260 yards and two touchdowns. And when the offense sputtered, Karlis was there to kick 51- and 45-yard field goals.

"Offensively, it was good — free, wide-open football," the Vikings' coach, Jerry Burns, said.

"We went back to our old philosophy of throwing the ball deep," Wilson said. "We came out attacking them with our passing game, something we hadn't done in a long time."

On the Vikings' second possession, Wilson's passes of 13 and 33 yards to Jones set up Walker's one-yard scoring sweep for a 7-3 lead.

In the second quarter, Wilson's scrambles of 17 and 13 yards preceded his 46-yard TD hookup with Jones, the Vikings' longest pass play of the season, to make it 14-3. Wilson's 24-yard touchdown pass to Carter put Minnesota up 24-10. Once the Vikings' main big-play threat, the injury-prone Carter had not scored in nine weeks.

"I threw up a lot of prayers and my receivers answered them," Wilson said. "I started to get the feeling I couldn't miss."

The Bears (6-7), have lost three straight and are 2-7 after a 4-0 start. They last had a losing season in 1982, when they went 3-6 in Coach Mike Ditka's first year, and have little chance of winning their sixth straight division title.

Aside from Kevin Butler's NFL-record 24th consecutive field goal and Neal Anderson's 76 rushing yards, putting him over 1,000 yards for the second straight year, the Bears had little reason to smile.

Chicago's Mike Tomczak was 13 of 33 for 180 yards with two interceptions. The Bears were penalized eight times for 85 yards. They couldn't cover Minnesota receivers Carter, Jones and Jordan. They failed to stop Minnesota on key fourth-and-one and third-and-three plays. They had two kicks blocked.



The Raiders' Bo Jackson being upended by the Broncos' Randy Robbins. The Raiders upended the Broncos, 16-13, in overtime.

So what did Ditka — who last week said, "It's over" because "we stink" — say about all this? "I got on them pretty hard last week," he said. "That was totally out of line. I was wrong. This is the team we selected as a coaching staff and, if it's not winning, I can't blame the team. I want to blame me."

"They're my guys and I love them and I respect them, and we'll keep trying. I don't think this team will give up. We're trying to redeem ourselves. We're trying to play better next week."

Raiders 16, Broncos 13: In Los Angeles, Jeff Jaeger kicked a 26-yard field goal at 7:02 in overtime as the Raiders kept their wild-card playoff hopes alive. It was Jaeger's second game-winner in as many weeks.

Thoroughly outplayed most of the way, the Raiders rallied behind three big passes from Steve Buerlein to Mike Dyal and a key interception by Lionel Washington.

The Raiders moved from their own 29-yard line to the Denver nine in six plays following a punt. Jaeger then kicked his third field goal of the game on a first-down play after a 16-yard run by Steve Smith.

Key plays of the winning drive were passes of 26 and 15 yards from Buerlein to Dyal. The Raiders had tied the game, 13-13, on a 67-yard touchdown pass from Buerlein to Dyal with 7:05 left in the fourth quarter. Previously in the second half, Los Angeles had been held to one first down and minus-one yard in total offense.

The Broncos had a chance to win in the final minute of regulation. A 38-yard punt return by Ricky Nattiel brought the Broncos to the Raiders' 34-yard line with 52 seconds remaining. But Washington intercepted a pass by John Elway on a second-and-eight play.

SIDELINES

Top Decathlete Quits English Squad

LONDON (AP) — Daley Thompson pulled out of England's squad for the Commonwealth Games on Monday, ending his bid for a record fourth consecutive gold medal in the decathlon.

Thompson, the Olympic decathlon champion in 1980 and 1984 and Commonwealth winner in 1978, 1982 and 1986, decided to skip next January's event in Auckland, New Zealand, because of a leg injury. He has not won a major meet since 1986, finishing fourth in the Olympic decathlon in Seoul. His three decathlon golds are the Commonwealth Games record.

Milan Soccer Team to Wait for Gullit

MILAN (AP) — Silvio Berlusconi, president of the A.C. Milan soccer team, said Sunday that the team will wait "all the time we have to" for the recovery of its long-injured Dutch star, Ruud Gullit.

Gullit, a forward for both the Milanese and his Dutch national team, last week underwent a third operation on his long-troubled right knee, which will sideline him for the entire season.

Matthes Joins East German Exodus

KAISERSLAUTERN, West Germany (AP) — Roland Matthes, the greatest backstroke swimmer ever, has joined the exodus from East Germany.

The 39-year-old, who retired in 1976 after setting 18 world records and winning a backstroke double at two successive Olympics, left almost as soon as East Germany opened its borders last month. His move had gone unnoticed until Monday when he said he was enrolling at a West German medical school.

From 1967 to 1974, when he lost to John Naber of the United States, Matthes was unbeaten in backstroke events.

Schmidt Stays Hot in Italy

MILAN (AP) — Oscar Schmidt, the Brazilian sharpshooter of Phonola Caserta, strengthened his lead in the scorers' standings in the Italian basketball league as he pumped in 54 points in Sunday's game against the defending champion, Philips Milan.

The Brazilian veteran's performance helped Phonola to win, 118-101, and to climb into sixth place, with 12 points out of 11 games. Oscar has scored 357 points, for an average of 32.4 points per game. American Dan Caldwell, of Viola Reggio Calabria, is Oscar's runner-up with 330 points and an average of 30.

For the Record

Fazisi, the first Soviet yacht to compete in the Whitbread Round-The-World race, may have to withdraw because it lacks funds to pay for its next leg from Australia to Auckland, New Zealand. (AP)

David Johnson, chairman of the board of directors of the Auckland Commonwealth Games company in New Zealand, resigned Monday following media reports of a police investigation into unrelated business transactions in which \$8 million are missing. (AP)

Rickie Abbate has agreed to replace the fired John MacLeod, for whom he worked formerly as an assistant, as coach of the Dallas Mavericks of the National Basketball Association team for the remainder of the season, the club said Monday. (AP)

John Rosenberg, Brown University's football coach, resigned today, saying he was tired of recruiting year after year, especially in the Ivy League, where there are no athletic scholarships. (AP)



Boris Becker stumbled against Stefan Edberg in the Masters final but hopes to regain his stride in the Davis Cup finals this month.

Masters Finalists Raring for Davis Cup Rematch

Compiled by Our Staff From Dispatches

NEW YORK — No sooner had Stefan Edberg and Boris Becker concluded the latest episode in their rivalry than their thoughts turned to their next big encounter — the Davis Cup finals.

Edberg reversed his recent string of misfortune to beat Becker, 4-6, 7-6 (8-6), 6-3, 6-1, on Sunday for the season-ending Masters tennis championship here.

Both players thought the result could work in their favor when Sweden and West Germany meet again for the Davis Cup title matches starting Dec. 15 in Stuttgart. "This could help, it's always good to beat Becker. I'd lost my last three matches to him," said Edberg, who relinquished his Wimbledon title to the West German at the All England Club in July.

"Boris is the key to their team. If I can beat him or Mats (Wilander) can, then we're in good shape."

Becker, who was eliminated in the French Open semi-

finals by Edberg, said the Masters defeat could help him gear up for West Germany's defense of the Davis Cup crown won last year in Sweden.

"This is pretty good for me," said Becker, trying to look on the bright side. "Sometimes after a big win you get too loose and have too many beers. When you lose a final you get angry. You can't sleep for a couple of days and you want to go on court and win again."

Becker, 22, still holds a 13-8 edge between the rivals, who often seem to get together in big matches. But this time it was Edberg's turn to dominate, and the Masters triumph ended a season of frustration for the 23-year-old Swede, who had lost six of seven previous finals this year.

"I played some of the best tennis of my life the past two days," said Edberg, who reached the final by beating the world's No. 1-ranked player, Ivan Lendl, in the semifinals.

"Beating Lendl and Becker will help me because I'm

going to start to believe in myself, and that's what I need to do," Edberg said. "I've got the physical abilities to be at the No. 1 spot."

Despite the semifinal loss, Lendl retains the computer-based No. 1 ranking by the Association of Tennis Professionals.

Edberg's triumph was also fitting because his last appearance in New York had ended in an embarrassing straight-set loss to Jimmy Connors in the fourth round of the U.S. Open.

"The defeat to Connors was a low point in tennis for me," said Edberg, who won only six games against Connors.

"Tennis is a very strange game at times. I had one of my worst performances in losing to Connors. But I tried to forget about it as soon as I left the court, and I've been working very hard since then to get back. Tennis works in circles." (Readers' AP)

Big East, ACC Open a Lucrative Face-Off

By Malcolm Moran

NEW YORK Times Service

NEW YORK — Nearly a decade ago, before the Big East conference, the nation's basketball junkies now know it, had been fully assembled, long before the ESPN sports cable television network introduced the term "Big Monday" into the hoop consciousness, before

COLLEGE BASKETBALL

Patrick Ewing graduated from high school, before most anyone knew what a Hoya was, before a shot from downtown meant three points instead of two, before the month of March could be bought by a television network for \$1 billion, before a former coach named Dick Vitale was any more than, in his words, a "disaster dandy in the TV business" — before all that, Dave Gavitt had this idea:

Gavitt, then officially the acting commissioner of this new Big East conference, was talking with his friend Willie Casey, then the athletic director at North Carolina State University. The two were members of the National Collegiate Athletic Association's basketball tournament committee.

They discussed a regular-season competition between members of this new Big East and teams in the Atlantic Coast Conference. A series of games could fill an emotional void early in the basketball season and fuel the kind of conversations that can help make college athletic departments and taverns profitable places.

Gavitt's concept had a gestation period of nine years. On Monday evening, the first ACC-Big East challenge began, with Pittsburgh meeting Georgia Tech in the first game of a doubleheader at Hartford Civic Center in Connecticut. The event will conclude Thursday, when Georgetown confronts North Carolina at Byrnes Meadows Arena in East Rutherford, New Jersey.

Four doubleheaders in four nights will match teams as seeded by a secret vote of the coaches in each conference.

"This putting together of this has been a monster," said Gavitt, now the Big East commissioner.

From the standpoint of the programs in the rest of the country, an idea has worsened into a nightmare. Of the 72 Big East conference games, 68 will be televised. Of the 56 ACC games in conference play, 51 will be televised.

Now, two of the strongest conferences in the country will gain additional strength from national prime-time exposure, tournament-atmosphere competition and, reportedly, \$7 million over four years for the broadcast rights.

"I wish we thought of it," said Loren Matthews, senior vice president for programming at ESPN.

Villanova's Rollie Massimino, who said he supported the idea, also said "As far as I'm concerned, it's another game. It's another competitive game. I'm not into deciding

at the end of the challenge which one is the better league. That's absolutely absurd. It's another game that we have to play. That's it."

Lon Carnesecca of St. John's, when asked about a matchup against North Carolina State and its coach, Jim Valvano, said: "I would rather sit down across a table at a nice restaurant."

Georgetown's John Thompson considered the possibility that the game might distort what he called the "process of the season" and cause the type of high-pressure atmosphere in early December that he would rather reserve for tournament play in March. He wondered how a freshman would respond to a coach's sudden, involuntary gruffness.

"We have the right to develop the team the way we want to," Thompson said, "and to get to

know the new players at our own pace."

Gavitt said that because each team would play just once, with examination periods avoided in the scheduling, he felt that overemphasis was not a danger.

Nine years ago, while the ACC proclaimed its postseason event as the "World's Greatest Basketball Tournament," the Big East was trying, unsuccessfully, to sell out the Providence Civic Center in Rhode Island.

This was still the ACC that had attracted talent from the Northeast partly because its intense glamour seemed so far away. Dear Smith, the North Carolina coach, could tell the parents of prospects that Chapel Hill was within 500 miles of the Lincoln Tunnel, which connects New York to New Jersey. But the mystique of the league, from a distance, involved the occasion.

There were those occasionally televised gifts, put together by C.D. Chesley Productions, with the rhyming announcing team of Jim Thacker and Billy Packer describing frantic nights in places like Raleigh and Durham and Chapel Hill. Even at the start of the 1980s, the lure of the ACC remained so powerful that its coaches could sulk at Gavitt's idea.

"We were brand-new," Gavitt remembered. "Their attitude was probably, 'What do we need to play them for?'"

Five years later, when he tried again, the Big East was a conference of Ewing, and Chris Mullin, and Ed Pinckney, and three Final Four teams — and a fourth if Boston College had not slipped.

Everything was big: the arenas, the cities, and a growing, in-house television network broadcasting to some of the largest markets in the country. This time, the shifting came from the Northeast.

Ultimately, what the conferences had in common was a tradition of innovation as a means of attracting attention and influence.

"Now," said Gene Corrigan, the ACC commissioner, "we have a chance to get out in front again and do something different."

College Football

Down to 4

The Associated Press

NEW YORK — Auburn's 30-20 victory over previously unbeaten Alabama has dropped the Crimson Tide from No. 2 to No. 7 in the rankings and left only four teams in contention for the national championship of college football — Colorado, Miami, Michigan and Notre Dame.

Colorado remained on top for the second straight week in Monday's Associated Press poll, while Miami rose two spots to second, Michigan remained No. 3 and Notre Dame moved up one notch to No. 4. (See Scoreboard)

Because of the New Year's bowl matchups, those are the only teams with a realistic chance to win the national title. Colorado plays Notre Dame in the Orange Bowl, Alabama meets Miami in the Sugar Bowl and Michigan faces 12th-ranked Southern Cal in the Rose Bowl.

Colorado can claim the championship by beating Notre Dame. However, if Notre Dame wins and Miami and Michigan lose, the Fighting Irish would almost certainly be voted No. 1.

Miami, which snapped Notre Dame's 23-game winning streak two weeks ago, needs a win over Alabama and a Colorado loss to capture its third national championship of the decade.

Although Michigan is ranked third, it will be very difficult for the Wolverines to finish on top. They need an impressive win over Southern Cal, a Miami loss in the Sugar Bowl and a close Notre Dame victory in the Orange Bowl to have any chance.

Alabama, which snapped

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SCOREBOARD

HOCKEY

NHL Standings

WALLES CONFERENCE

Patrick Division

W	L	T	Pts	GF	GA
NY Rangers	16	6	32	99	91
Philadelphia	12	11	23	99	84
New Jersey	11	12	22	102	85
Washington	10	12	24	86	91
Pittsburgh	10	12	22	101	118
NY Islanders	8	14	20	77	112

Campbell Conference

Norris Division

W	L	T	Pts	GF	GA
Minnesota	16	11	33	105	99
Chicago	14	12	30	98	96
St. Louis	12	16	28	93	92
Toronto	12	16	24	112	120
St. Louis	10	16	18	82	111

Savoy Division

W	L	T	Pts	GF	GA
Edmonton	14	10	30	117	102
Calgary	12	10	32	128	104
Los Angeles	12	10	28	115	107
Washington	12	12	28	82	95
Vancouver	10	14	24	93	100

SUNDAY'S RESULTS

Edmonton	1	5	1-3
Calgary	1	1	1-3

Federer (15), Galt (16), Yarnom (21);	1-3
Larmer (11), Smeaton (11), Karam (11);	1-3
St. Louis (11), Smeaton (11), Karam (11);	1-3
Chicago (on Monday) 4-14-10-30.	

St. Louis	12	10	6	28	93	82
Toronto	12	16	0	24	112	130

Detroit	7	16	6	18	42	111	C
	Smythe Division						F
	24	12	5	37	58	152	

Gill (11), Lammert (21);	2-2
Kurvi (21), Kurvi (21);	2-2

Seattle (on Monday) 12-10-10-32;	
Philadelphia (on Monday) 3-11-11-25.	

Vancouver	10	13	4	24	93	180	8
SUNDAY'S RESULTS :							
Edmonton	1	2	2	2	2	2	

Gill (11), Lammert (21);	2-2
Kurvi (21), Kurvi (21);	2-2

Seattle (on Monday) 12-10-10-32;	
Philadelphia (on Monday) 3-11-11-25.	

On road: Detroit (on Chrysler) 11-13-33	N
Chicago (on Hinton) 6-14-10-32.	W
Boston	2 1 1-2

Gill (11), Lammert (21);	2-2
Kurvi (21), Kurvi (21);	2-2

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